INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

PLACE: BANKSTOWN

NAME: Peter John ROBERTS

ADDRESS: Known to ICAC

OCCUPATION: Institute Director

TELEPHONE NO: Known to ICAC

DATE: 23 July 2015

States: -

1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

2. I am currently employed as the Institute Director with TAFE NSW – South Western Sydney Institute ("SWSI"). I have held this position since May 2010 and have been employed by TAFE NSW for the past 36 years.

3. My responsibilities and duties as the Institute Director with SWSI mean that I am effectively the Chief Executive Officer (CEO) of the Institute. My role is principally to ensure that South Western Sydney Institute delivers education and training services on behalf of the NSW Government and commercially to the

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people in the region, within NSW, Australia and internationally. My main purpose
is to ensure sure that the Institute operates in accordance with NSW Government
and NSW TAFE Commission policy and performance requirements and within
Australian Skills Quality Authority compliance requirements as a Registered
Training Organisation.

Employment Screening

1. A criminal record check is conducted prior to offering someone their first position
   with TAFE NSW. Once an employee has commenced at SWSI, the onus is on
   them to declare whether they acquire any criminal convictions. A Criminal Record
   Check (CRC) is always conducted at the time of someone being offered their first
   position with TAFE NSW, or where there is a change in existing classification
   (i.e. Permanent to Casual/Temporary and vice-versa).

2. No further criminal record checks are conducted prior to a SWSI employee being
   promoted or appointed to act in a higher position, even if the position holds a
   substantial financial delegation. I understand that once a person has been deemed
   suitable for appointment, after a review of a Criminal History, the information
   pertaining to this history is not kept on file. I understand that the process requires
   that the officer undertaking the review destroy the copies of the information
   received from the Employment Screening Unit once a determination has been
   made (i.e. Cleared for Employment).

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3. I am not aware of a policy explaining the parameters to determine how a criminal record would affect a potential employee or a current employee's position at SWSI.

SWSI uses the *Public Sector Suitability Assessment Process* to assess Criminal History Information (CHI) if one is identified by the Department of Education and Communities (DEC) Employee Screening Unit (ESU). This assessment is undertaken by a delegated officer, where the initial step is to review the Criminal History Information that has been provided by the ESU taking into account the following factors:

*   Nature of offences

*   Number of offences

*   Severity of punishments

*   Age at which offences are committed

*   Good behaviour bonds

*   Mitigating or extenuating circumstances that might be revealed in relation to the offence(s) committed.

*   General character since the offences

I am also aware that the overall review also considers the type of role which the applicant has applied for and the workplace environment. If there are any concerns arising from this review they may be discussed with the applicant to
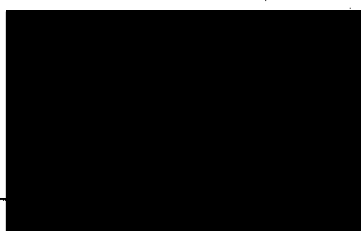
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ascertain the impact of the CHI on the application with regards to the factors outlined above. This also gives applicants an opportunity to provide additional information which they may consider to be relevant to the overall assessment. A final decision on employment is then made, taking into consideration all relevant information gained through this process.
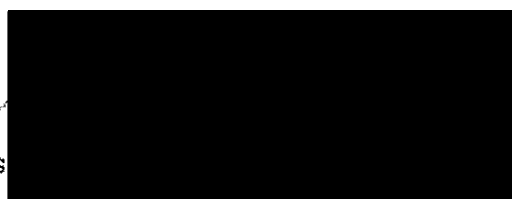
4. I had no involvement with the recruitment, induction or vetting process in relation to Ronald Cordoba's employment with the Institute as he was already a permanent employee upon my commencement at the Institute.

5. Ronald Cordoba had been given the opportunity to relieve as the Manager of the ICT Services Unit. Ronald Cordoba occupied this position for approximately 17 months and ceased in the position on the 5 August 2014.

6. Ronald Cordoba whilst he occupied the position of Manager of the ICT Services Unit would have been accountable and responsible to report to the Associate Institute Director of People, Planning and Performance.

7. There would have been several persons relieving in the position of Associate Institute Director of People, Planning and Performance whilst Ronald Cordoba occupied the position but the last would have been John Humphrey.

SECONDARY EMPLOYMENT

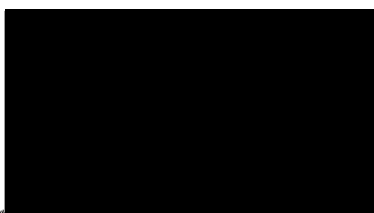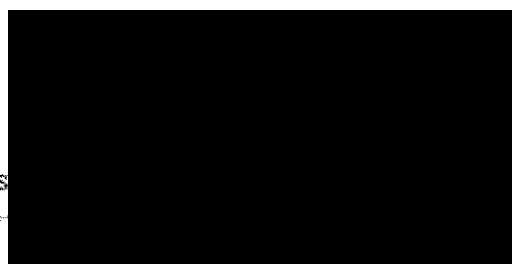Signature ▮▮▮▮▮▮▮   Witness ▮▮▮▮▮▮▮

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8. I have been made aware that I approved one "Private and Secondary Employment Policy" application form for Ronald Cordoba, as all applications for secondary or external employment needed to come through myself during the 2013 period. Ronald Cordoba had applied to undertake IT network architectural consultancy services through a company or business trading as Storm Solutions.

9. I had no knowledge in relation to the company Storm Solutions, and therefore relied on Ronald Cordoba's advice that this company did not constitute a conflict of interest.

10. No independent assessment is conducted to determine whether the company that a SWSI employee has engaged in secondary employment with could potentially be utilised in a way that would constitute a conflict of interest.

11. No spot checks are conducted on employees, in ASIC or otherwise, to verify whether they are engaged in undeclared secondary employment.

12. To my knowledge I have not signed or approved any further 'Private and Secondary Employment Policy" application forms for Ronald Cordoba since 2013.
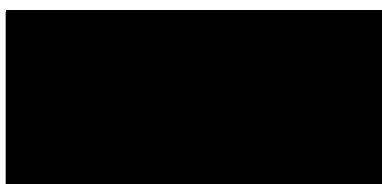
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13. The Associate Institute Directors may raise concerns regarding the "Private and Secondary Employment Policy" applications before final approval is provided. I cannot recall any concerns being brought to me in relation to secondary or external employment applications for Ronald Cordoba.

14. Secondary employment approval would not be approved if an organisation or company they had an interest in was in competition with TAFE NSW, such as another Registered Training Organisation ("RTO") or the employee's duties would constitute unreasonable work hours or conflict with their normal TAFE NSW duties.
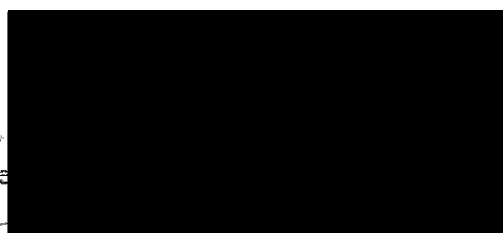
Monthly Board of Directors Meetings

15. I am a member of the Institute's Board of Directors which is made up of the Institutes Faculty and Business Unit Directors. A more appropriate term to describe the Board would be Management Executive Committee. It is not a governing Board that is independent of the Institute management. The Board of Directors hold a face to face meeting once a month and a video conference meeting on the alternate fortnight which deals with more operational matters.

16. It is not just the direct reports to the Institute Director that attend the Board of Directors meetings. Some Directors of Business Units reporting to the Associate Institute Directors also attend these meetings.

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17. The Manager ICT Services Unit does not normally attend the Board of Directors
meetings. This Unit is represented by the Associate Institute Director of People,
Planning and Performance. Ron Cordoba attended the following Board meetings
in 2014 for specific items where his input was required.

16 May 2014 – Board Workshop - Structure of People, Planning and
Performance Portfolio

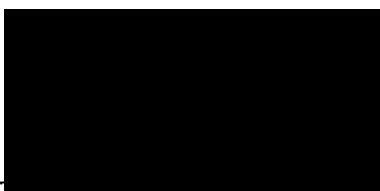13 June 2014 – Board Workshop - Introduction to Lean Thinking Workshop

20 June 2015 – Item 8 Presentation on visit to Queensland University of
Technology

25 July 2014 – Item 5 Customer Relationship Management (CRM) Training
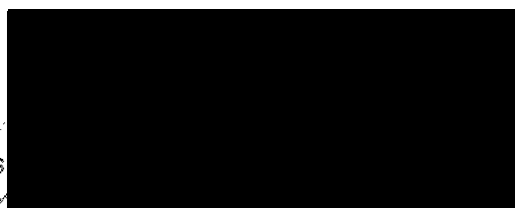and Engagement Strategy

18. Any budgetary submissions for operational or capital expenditure for a Faculty or
Business Unit would normally be prepared by the Faculty Director or relevant
Director/Manager of a Business Unit. Faculty Directors or the appropriate
Associate Institute Director would present submissions at the Board of Directors
meeting for discussion and/or approval.

19. The members or representatives on the Institute's Board of Directors rely upon the
advice from experts within the Faculties or Business Units and, where appropriate,
advice from experts external to the Institute to make sound and well balanced
decisions relating to capital expenditure for expenditure on ICT equipment, the
Board would rely upon the technical advice from the Manager of the ICT Services

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Unit prior to considering or approval any such capital expenditure funding. This advice may be supplemented by advice sought from the Institute Managers, DEC Information Technology Directorate, TAFE Customer Services, DEC Procurement Directorate, DEC Asset Management Directorate and other external companies or agencies where required.
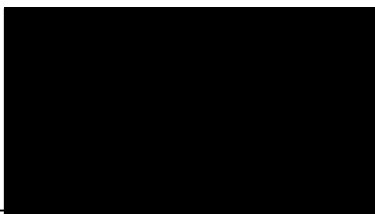
20. Market value for all "in contract" items, which make up the majority of purchases, is pre-determined by the nature of the DEC procurement process for "in contract" vendors. The Board would expect that, if an 'Out of Contract' supplier was being used, the Associate Institute Director had checked for quotes in accordance with the procurement process before including it in the Submission.

21. Following the commencement of this investigation, an external company has been engaged to provide advice on ICT due diligence and ICT governance.

EXHIBIT: I PRODUCE A COPY OF ALL REPORTS PROVIDED BY THE COMPANY ENGAGED TO PROVIDE ICT ADVICE.

SWSI TAFE ICT
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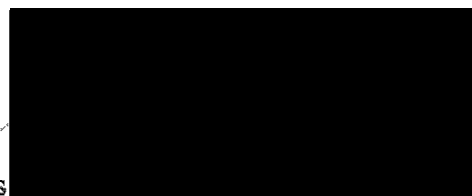22. The Board would expect that if an 'Out of Contract' supplier was being used, the Associate Institute Director had checked for quotes in accordance with the procurement process

23. It is considered the responsibility of the relevant Associate Institute Director to verify whether the items proposed in a Submission to the Board are requested on the basis of an adequate needs assessment.

24. Associate Directors and Directors are experienced professional managers who have a sound understanding of the needs and priorities of the business. Various forms of formal and informal enquiry and assessment of evidence should be undertaken when authorising the submission.

25. The Board's decisions in relation to a Submission to the Board are made on the individual members' professional analysis of the submission considering the priority of the business requirement to meet SWSI organisational, customer service or operational needs, the value for money proposition and determining whether the financial and logistic resources are available to support the proposal

26. In relation to the equipment purchased from ITD Pty Ltd, neither I nor the Board have viewed any predetermined project milestones for expenditure or progress. The Board approved the Submission to the Board only for the equipment

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not from any particular supplier. Once the Submission to the Board is approved the Board expects standard procurement policy to be followed. In this particular case it was expected that funding would be expended over a relatively short period of time given these were standard "in contract items" therefore procurement milestones were not relevant.

27. In relation to the ICT projects in the Submission to the Board which included the equipment inappropriately purchased from ITD Pty Ltd, no project documentation with predetermined expenditure and progress milestones was required. The Board's role is to provide overall approval of the project scope and funding allocation. The "business as usual" project planning and procurement approval process would be the responsibility of the relevant Director or Associate Director.

28. The broad scope of the equipment to be purchased is included in the submissions reviewed for approval by a Director or Associate Director although reference to a particular supplier is not required in the submission if the equipment being requested is not unique and would have been able to be purchased from "in contract" suppliers.

29. The ICT Submission to the Board which covered the equipment purchased from ITD Pty Ltd was a high level request for approval to commit funds for five capability building projects. These project were;

1. Laptop Renewal Strategy $665 500

2. Information Technology Infrastructure Projects $1 884 812, (ITD purchases occurred here)

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3. Transformational Strategy Facilities Projects $3 563 416

4. Commercial Product Development $582 356
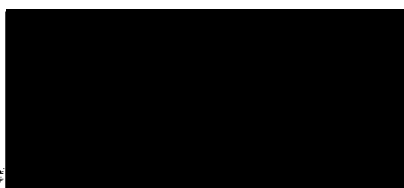
5. Marketing Collateral Development $ 172 880

30. Each project proposal included a range of different equipment or sub projects that had been approved by the relevant Director or Associate Director. For example the Information Technology Infrastructure Projects totalling $1 884 812 incorporated 7 individual sub projects. It is from this group of projects that ITD Pty Ltd was improperly used to supply equipment.

31. The funds allocated for the project which encompassed the equipment purchased from ITD Pty Ltd constituted both capital and recurrent expenditure
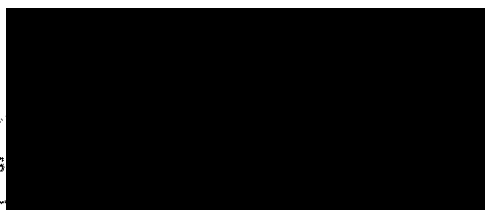
32. Variations for a project either in terms of budget, scope and deliverables may come to the Board, depending on the extent of the variation. Where there is a cost variation request of approximately 5-10% depending on the total value of each project and where the scope has not changed significantly I would consider approval without going to the Board although the total cost of the individual project could not exceed my financial delegation of $500 000.

33. I cannot recall any variation for the Capabilities Building Projects being considered by the Board although I can recall the Project Manager for the facilities upgrade projects requesting funding to cover unforeseen additional costs

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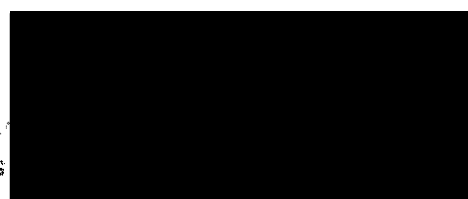
including cabling, variations to building works, furniture etc. These requests were considered by the Capital Asset Reference Group.

34. The Board would not have oversight or knowledge of whether an 'Out of Contract' supplier was being used extensively. The Board approves the project scope and budget. Once approved it is expected that normal procurement processes will be followed which would not involve the Board.
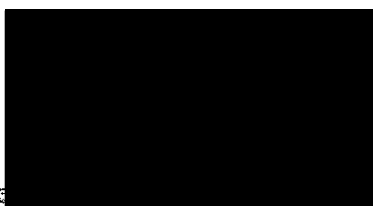
35. Board Members do raise risks and issues associated with capital expenditure proposals submitted to the meetings. The Director of Finance, Phillip Martin and the Director Corporate Strategy and Governance, Oriana Romano, who both attend the monthly Board of Directors meetings, in particular ask appropriate questions surrounding the risk associated with any capital expenditure funding prior to approval.

36. I can recall that Ronald Cordoba submitted a "Business Case" to obtain laptop computers through an "Out of Contract" supplier. The normal process to obtain all these laptop computers would to obtain them through an "In Contract" or Government contractor.

37. Ronald Cordoba identified that the "In Contract" laptop computers were not "value for money" and wished to purchase similar laptop computers which were

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lighter; had a larger storage capacity; and were cheaper through an "Out of Contract" supplier.

38. The DEC procurement process enables Managers to request the purchase of an item from an 'Out of Contract' supplier if it can be demonstrated that it is better value for money, or another benefit exists. However, the procurement process requires the approval of the DEC Procurement Directorate to purchase items 'Out of Contract'.
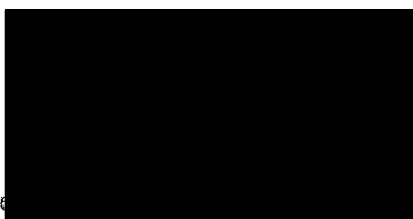
39. It definitely not common practice to purchase from an "out of contract" supplier. An Alternate Supplier Request (ASR) needs to be approved by DEC Procurement before an "out of contract' purchase can be made.

40. It is my understanding that Ronald Cordoba worked with the Department of Education and Communities Procurement Directorate to purchase these laptop computers from an "Out of Contract" supplier.
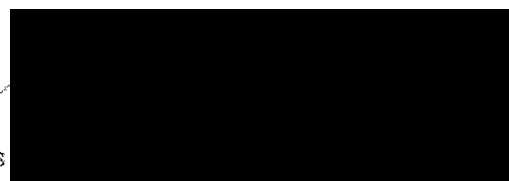
41. No they were not purchased from ITD Pty Ltd. Mr Cordoba submitted an ASR to DEC Procurement to purchase these laptops from Core Technology Partners, which was approved by DEC Procurement Directorate.

42. The Board agreed in principal for the allocation of $6,868,964 for the Capability Building Projects but requested a complete list of all projects and that each project

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required a detailed project plan, analysis, and progress reporting to the Board on a monthly basis regarding expenditure. John Humphrey was allocated to be the responsible officer for these tasks.

43. The Board did not request any further documentation although the progress of all Projects was reviewed at the Capital Assets Strategy Reference Group (a sub-group of the Board).
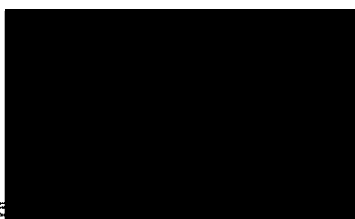
**EXHIBIT: I PRODUCE A COPY OF ANY PROJECT PLAN & ANALYSIS
WHICH WAS PROVIDED TO THE BOARD FOR THE
CAPABILITY BUILDING PROJECTS, BESIDES THE
PROGRESS OF EXPENDITURE SPREADSHEET**
Attachment A; Excel Project Tracking Spreadsheet of SWS Capability Building Projects
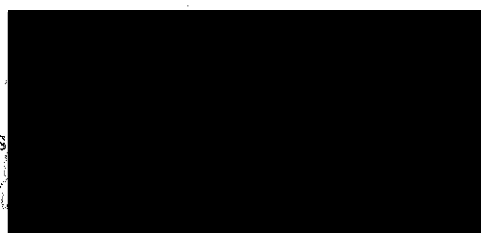
44. The Board required John Humphrey to report monthly to the Board members on the Capability Building Projects, regarding the progress of these projects.

45. The Board was seeking a detailed project plan tracking template to be distributed to each of the respective project sponsors who had responsibilities over those projects to complete. John Humphrey was the responsible officer to coordinate this task.

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46. EXHIBIT: I PRODUCE A COPY OF THE PROJECT PLAN

TRACKING TEMPLATE & THE FINAL SUBMISSION THAT WAS

MADE TO THE BOARD WITH THIS TEMPLATE

Please see project planning template at Attachment A

A final submission to the Board was not required. The template to be used to

ensure the expenditure and broad range of small projects that made up a program

of work could be tracked by John Humphrey and reported. A formal submission to

the Board for approval was not required.

John Humphrey provided a list of the Capability Building Projects and a current

status of each of the projects to the Board, and reminded the Board that these

projects were only funded for the 2013-14 financial year period. Those projects

that were unable to be completed would need to be resubmitted during the next

financial year.

48. The budget formulation process for the new financial year involves each

Associate Director and Director identifying priority expenditure requirements to

be included in the Institute budget. Submission to the Board that had been

approved by the Board would carry over to the new financial year if they were

still a priority to be completed. These would be included in the detailed Institute

budget papers.

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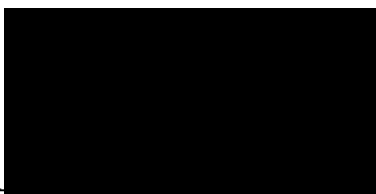
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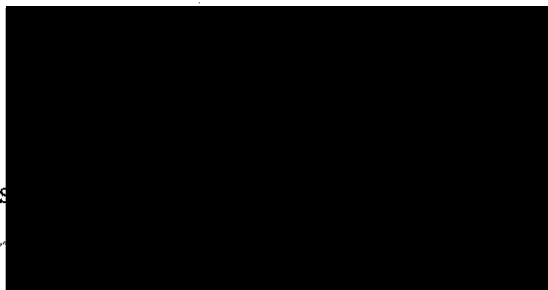
Purchasing and Procurement

49. When I receive a SAP shopping cart approval request because it requires my delegation up to $500,000 I request additional clarification by email with the relevant requesting manager or Finance Manager if the item does not have sufficient information to provide me with clarity on the nature of the request and whether it conforms to policy. Once I request further information I reject the shopping cart. The process followed then is that the requester would then add a Reviewer to the SAP workflow. The Reviewer is a member of the Finance Unit. The Reviewer adds clarifying notes to the shopping cart stating that the purchase conforms to applicable contracts agreements or policies. The updated shopping cart will remain in my SAP in-box until it is reviewed and approved by me. All shopping carts that I approve must follow the review process described above.

50. I would not be aware of whether I received a purchase order request from Ronald Cordoba, since this information would not be indicated on the purchase order request in SAP. A purchase order request in SAP indicates the cost code/budget the funds would be drawn from to pay for the item.

51. If I cannot clearly identify the authenticity of a shopping cart item I always ask the finance team to provide advice as to whether the request aligns with the relevant invoice or policy. Given all items I approve are for over $150 000 it is routine for

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Finance to make notes in the SAP shopping cart recommending approval. My

normal practice is that if I receive a shopping cart for over $150,000 which has not

been through the review process previously described then I will reject the

shopping cart and send an e-mail to the requestor to include Finance Unit review.

52. Whether the budget for a project was available in its entirety upfront or at certain

check points depends on the nature of the project and the total cost. The

Submission to the Board requesting approval for 5 separate major initiatives

costing approximately $6.8 million was presented by John Humphries to the

Board on 28th February and was endorsed in principle. Each of the 5 major

initiatives involved multiple facilities maintenance projects or equipment

purchases. The budget for each project was available to be allocated. A $6 million

Business Case is considered significant when compared to the value of other

Business Cases regularly reviewed by the Board.

53. The total ICT Unit budgets for operational and capital expenditure for the

financial years: 2013-14 was $8.8 million, and for 2014-15 it was $5.5 million.

54. The budget was provided up front because the funds were available, the need was

defined and approved, the overall project or program of work had many sub

projects which had short implementation time-frames so time-based milestones

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were not relevant. The scope of each sub project was relatively routine for what is managed within the normal institute procurement processes

55. An assessment with regards to whether the deliverables of a project was achieved occurs depending on how much the project is valued at. It is my experience that benefits realisation analyses of projects only occurs for major capital investment projects that are funded and approved by Treasury within the TAFE Budget allocation. This would include major capital works or major ICT projects with values exceeding $1m although I understand projects of over $10m require formal benefits realisation analysis. I am aware of formal benefits realisation analysis being conducted on major capital investment projects which were managed either the DEC Asset Management Directorate or the Information Technology Directorate.

56. Corporate credit cards are used in the Institute but are not widely provided to the Institute Managers unless there is a business need for them to have credit cards for their particular Faculty or business unit.

57. No Faculty or business unit within the Institute use or have a need for petty cash as all "out-of-pocket" expenditure is able to be claimed through the SAP financial system.

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58. I am aware of the practice known as invoice or order splitting. This practice is not permitted within Department of Education and Communities; TAFE NSW and SWSI. With the exception of contracted utilities services, which are approved by location, all other acquisitions of like items from one supplier should be regarded as one purchase. Purchase orders for bulk "in contract" items delivered to multiple colleges to improve efficiency can be accommodated in the SAP ordering system as they are already subject to the terms of the relevant DEC contract and would not be considered invoice splitting.

Disposal of End-of-Life or Decommissioned Equipment

59. I am aware that there is a policy relating to the disposal of end-of-life or decommissioned equipment. There is a formal process coordinated through Peter Beacham within the Institute's Finance Unit.

60. I am aware that some equipment from SWSI is sent off for scrap if it is valueless and other equipment go to a public auction and the proceeds from the sale comes back to SWSI.

61. No employees of TAFE NSW or SWSI would be permitted to remove or use any end-of-life or decommissioned equipment for their own personal use.

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62. No employee of TAFE NSW or SWSI would be permitted to dispose of any end-of-life or decommissioned equipment through a private retailer or business unless they were authorised under a formal contractual agreement or arrangement.

63. I am not aware of a private computer retailer trading as J&W Computers Villawood. I am not aware if J&W Computers Villawood are suppliers to TAFE NSW or SWSI.

64. I am not aware of any monies received by TAFE NSW or SWSI from J&W Computers Villawood for the collection and disposal of any TAFE NSW or SWSI owned computers and/or ICT equipment, but I believe that if this was the case that SWSI should have been paid by J&W Computers Villawood.

ASSET REGISTER

65. I was not aware that some of the items returned from Ronald Cordoba's home, including 2 Apple MacPro CTO computer towers valued over $10,000 were not listed on the asset register.

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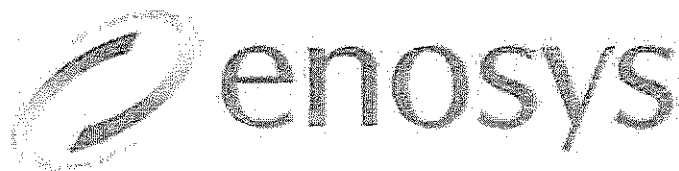
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NSW TAFE: South Western Sydney Institute

ICT Services Review

May 2015
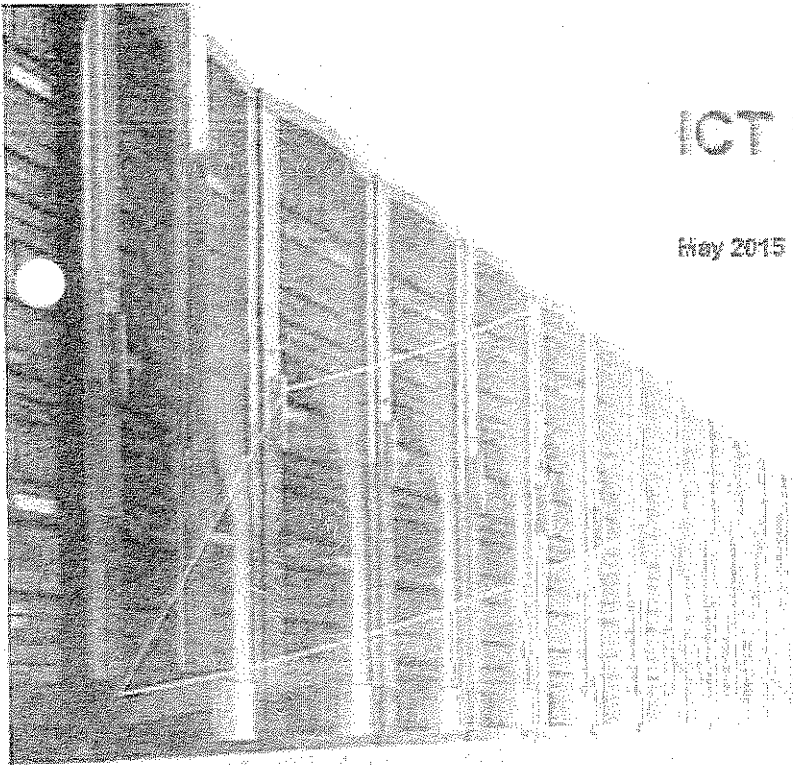
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Enosys Solutions – where applications meet networks ™

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South Western Sydney Institute

Document Name:	SWSI TAFE ICT Review FINAL
Date Issued:	Thursday, 28 May 2015
Status:	FINAL
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1 Executive Summary

NSW TAFE South West Sydney Institute (SWSi) engaged Enosys Solutions Pty Ltd (Enosys) to undertake a review of the current state of ICT Systems to assess current ICT Services group's ability to support SWSi's changing business funding model under the new *Smart and Skilled*[1] funding model (the Review). This Report contains the results of that Review, and is broken up into the following sections:

* A Current State Review

* A Target State Definition

* A Gap Analysis

* A Detailed List of Recommendations; and

* A Prioritised Migration Plan.

Background

This Review takes place within the context, and against the background, of both broad concerns about the current and eventual costs of social entitlements (for example the latest Inter-generational Review) and the specific policy and funding changes impacting the TAFE sector in general and SWSi in particular.

The move to a more commercialised TAFE sector in NSW and the concomitant drives towards competition not only between the TAFE sector and private educational institutions and the universities, but between the TAFE institutes themselves, must drive a shift in culture to a more agile, responsive and proactive institute.

In addition to these shared pressures, there are many specific stresses unique to SWSi. Examples of these include the unique demographics of SWSi and the high preponderance of recent arrivals and non-native English speakers.

Business issues directly impacting SWSi stem largely from the change in funding model, government focus on jobs and costs, the growth in competition and the need to become agile and responsive.

In short, the current mantra, *Smart and Skilled* must translate directly into planning, outreach and the redesign of the model in which SWSi delivers education.

Review Themes

Our research has surfaced four themes immediately impacting the TAFE's operating model and the infrastructural changes required by the brave new world of competition and commercialisation.

These four themes are:

1. ICT Governance

2. Risk Management

3. ICT Service Definition and Catalogue

4. Benefits Management and Value Realisation

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[1] https://smartandskilled.nsw.gov.au/about

Current State

The Review assesses that ICT Services is not capable of supporting the new operating model under *Smart and Skilled*. The current state of ICT Services is summarised as follows:

* SWSi business and ICT Services are not adequately aligned.

* An IT Strategy does not currently exist, with ICT services.

* Core application services delivered by ICT Services (such as Moodle, SWSi website, SharePoint and CRM) are currently running out of one data centre only and pose an inappropriate level of risk of impacting the SWSi business through extended outage.

* Additionally, if there is an outage to any of these core applications, infrastructure systems and plans to not exist to restore service to those applications and minimise outage. Business Continuity and Disaster Recovery planning is incomplete.

* ICT Services is highly focussed on technical operations, with a large reliance on IT services being delivered in-house.

* Visibility and understanding of the performance of IT services and projects is poor due to inadequate governance, processes and tools.

* Effectiveness of ICT Services is hampered by a number of staff in acting or temporary roles and staff undertaking roles that so not match their skills.

Target State Definition

The Review proposes a target state for ICT Services that is focussed on the delivery of services rather than the delivery of technology in the context of various political, economic, social and technological influences. This service focus and a refocus on the governance of IT shall embrace the CobiT and ITIL[2] industry-standard frameworks. In support of this, an IT Steering Group shall be responsible for the *governance* of ICT Services and ICT Services shall implement project portfolio management, service portfolio management and IT Architecture functions in support of their *management* function.

An important part of the proposed target state is a published catalogue of services provided by the ICT Services group. Services in this catalogue shall support requirements signed-off by business users and allow them to increase and decrease their consumption of these services in-line with movements in student enrolments. This will allow business users to better manage their IT costs to match fluctuating revenues experienced under *Smart and Skilled*.

This will make ICT Services operate more like a business in-support of the overall SWSi business.

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[2] ITIL, formerly known as the Information Technology Infrastructure Library, is a set of practices for IT service management (ITSM) that focuses on aligning IT services with the needs of business. https://www.axelos.com/best-practice-solutions/itil

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Gap Analysis

A Gap Analysis has been undertaken with an assessment of a subset of underlying ICT Governance sub-process utilising the CobiT[3] Capability Model.

Recommendations

Over 24 recommendations are proposed to assist SWSi transition to the Target State. These recommendations have been grouped into the following categories:

- Governance and Execution
- Aligning IT with the Business
- Financial Agility and Efficiency
- IT Resiliency

All of these recommendations are intended to be appropriate for an organisation the size of SWSi, achievable and consider the future operating model under *Smart and Skilled*.

Prioritised Migration Plan

A detailed Improvement Plan has been proposed to address the current state findings and risks identified. It is based on two streams, each of which contains improvement projects grouped into 6-month delivery blocks:

1. An *ICT Services Stream* that will mainly focus on shorter-term migration initiatives. These can generally be handled by the ICT Services in isolation (as part of the *Management function*).
2. A *Strategic Stream* that tries to address longer-term remedies including initiatives to improve governance that require the attention and cooperation of other SWSi groups outside of the ICT Services team alone (as part of the *Governance function*).

An examination of the Prioritised Migration Plan demonstrates that effective transition and strategic re-alignment of ICT Services to support the SWSi business adapt and succeed under *Smart and Skilled* is achievable with the close sponsorship and direction of senior management.

> EFFECTIVE TRANSITION AND STRATEGIC RE-ALIGNMENT OF ICT SERVICES TO SUPPORT THE SWSi BUSINESS ADAPT AND SUCCEED UNDER SMART AND SKILLED IS ACHIEVABLE ...

Not Covered by the Review

There are some themes that we have become aware of in relation to SWSi, but which do not fall within the scope of this project. Areas that would benefit from additional consideration include Organisational Change Management, Organisation Culture Development and, Organisational Design.

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[3] Control Objectives for Information and Related Technology (CobiT) v5. (http://www.isaca.org/Knowledge-Center/cobit/Pages/FAQ.aspx)

2 Current State Review

The Current State Review takes an analytical look at current organisations, processes, and challenges, but does not delve into detailed findings or recommendations as these are covered in subsequent sections

2.1 Business Challenges

SWSi is currently experiencing varied external and internal business challenges. In particular, these include changes to Government funding models for the TAFE sector as well as internal organisational challenges following the NSW Government reforms under the 'Smart and Skilled' program.

Approximately one third of all Australians live in NSW, and one in five of them reside within the SWSi catchment. Forty percent of settlers newly arrived in Sydney choose South West Sydney as their home, and of these around two-fifths are from non-English speaking countries, and nearly half do not speak English at home. These changes in demographics introduce new challenges and opportunities for SWSi.

Business issues directly impacting SWSi include: the drive to improve completion rates, removal of duplicated effort and costs, achieving truly strategic engagement with industry and communities (i.e. moving away from 'pockets of engagement'), taking full account of prior learning and experience, and simplifying and clarifying the access routes and support mechanisms available.

Government concerns around educational outcomes jobs and costs drive the urgent need to promote SWSi's strategic intent at an executive level, into the administration sections/business units, and classrooms across the TAFE. This document focusses specifically on driving that strategic intent into the ICT area.

The implications of 'Smart and Skilled', affect the overall operating model, planning activities, focus of outreach work, and potentially the redesign of the entire educational delivery model.

Through our research, discussions, and workshops we have identified four key areas of concern. These have immediate consequences for the operating model, and those infrastructural changes required in the new world of competition and commercialisation.

These four key areas are:

1. Governance

2. Risk Management

3. ICT Service Definition and Catalogue

4. Benefits Management and Value Realisation

At the highest level, Governance provides the framework and processes by which strategic intent and delegated authority may be disseminated through the organisation and executed appropriately at each level. Our workshop respondents unanimously identified improved Governance as a priority for SWSi.

Following on from the Governance domain we identified Risk Management as the second area in which additional work is needed. Risk Management as a problematic theme was supported by all workshop participants in two essential streams.

Firstly the need to manage risk appropriately by ensuring that the risks were identified, their impact assessed, and the appropriate treatment (mitigation, avoidance, contingency etc.) put in place. Much of the strong feeling around this aspect stemmed from outages experienced in the recent past.

Curiously, beyond the 'standard' view of risk management as a preventative or protective practice, there was also a general appreciation that risk is a business issue pertaining to the businesses as a whole and not merely an exclusively ICT issue.. Workshop participants expressed the view that the assessment and management of risk should properly take place within the business. This was particularly well expressed with regards to the 'Smart and Skilled' initiative, and the pressing need for business to become more agile and more responsive to change and to demand.

The development of clear and detailed service definitions for all the main ICT services and bound together in a Service Catalogue for use across the entire organisation was widely supported. The issues that raised the demand for clear service definitions included:

- The need to identify who performs what function
- The need to identify who the owner of a service is technically
- The need to identify who the owner of a service is from a business point of view
- The need to identify the technical components that make up the services in question.

Above all else, however, was the urgent need to define and manage service levels to an agreed quality and reliability.

In summary, the definition of services in a catalogue would provide a common map and language for communication between ICT and business.

Our fourth theme is Benefits Management and Value Realisation; these can be seen as two sides of the same coin. These two approaches firstly enable the business and ICT jointly to align each significant spending decision to the needs of the business (Benefits Management) and then, as ICT projects develop and are completed, to evaluate the value returned to the business by the project (Value Realisation).

Beyond these four areas there lies a range of specific ICT challenges that were mentioned including: network capacity planning, identity management, use of collaboration tools such as SharePoint, CRM platforms Disaster Recovery and Business Continuity Planning). These further issues will be addressed as part of the Recommendations.

As part of this report Enosys has identified a number of additional themes that we believe would benefit from further analysis and consideration, but which do not fall within the scope of this project. Examples of these additional areas include culture change to meet the challenges of competition and the new funding model, Organisational Change Management to enable the necessary changes to be understood, implemented and broadly adopted, and, in terms of structure of SWSi overall, some reflection on Organisational Design would be of value

Current State Assessment

Looking at SWSi from an external perspective and focusing initially top-down from a business strategy and operating model point of view, there is a strong sense of an established institution, with well-developed and perhaps 'time honoured' ways of doing things. There is also a sense that it has been part of the institution's evolution, culturally and organisationally to fit well into what has been a 'relatively' stable, slowly changing environment, where the pressures are known, the required outcomes understood, and the future is to some extent predictable even if not precisely known. In this respect, SWSi has been an organisation well fitted to its environment and able to deliver to well understood requirements.

That said, looking beyond this initial assessment we can review some of the main structures that emerged as areas experiencing some stress and requiring attention during our workshops / discussions.

2.1.1 Business and ICT Strategy Alignment

It is a truism that ICT strategy should align to business strategy, however, over extended periods of time it is common for ICT to develop its own programme of work, predicated upon internal upgrade and renewal cycles that have less and less to do with the strategic aims of the business than with the internal needs of IT. Establishing appropriate governance structures and processes will alleviate this natural tendency, however occasional one-off recalibration exercises are often needed to kick-start radical change.

It is likely that significant change in some areas of business strategy will be necessary to meet the changing challenges of competition for enrolments, new funding models and the implications of 'the Smart and Skilled' program. SWSi business strategy is currently being articulated at executive level within SWSi and we aim to take account of the outcomes of these deliberations in this review in due course.

At present, without the benefit of the detailed considerations embodied in the strategic plan, we can extrapolate some essential components of the required ICT strategy from the evidence we have at hand.

Firstly, competition drives sales and evolving marketing strategies, which in turn requires more flexible and responsive ICT processes. ICT systems typically impacted by competition include Customer Relationship Management (CRM) systems, and strong online presence management, which in the case of the further education sector may mean embracing or improving social media tools. Aside from outward facing service, client facing technologies such as reliable access to course specific software systems is vital. For instance, an example raised during workshops was the on-line travel agency software, Galileo, which provides a distinct competitive advantage when teaching travel and leisure classes. Galileo is subject to frequent outages due to network issues. These outages undermine the strategic and competitive advantage of having the online system in the first place.

If it is SWSi's strategic intent to innovate in the area of educational or curriculum related software then issues such as this will need to receive priority.

Slow, and occasionally erratic, responses from ICT and from ITD have been reported in workshop feedback. This affects control at a strategic level as it impedes the implementation of the strategic intent of the Institute. Regarding SWSi ICT support the feedback was generally favourable with regards to 'attitude', the support staff were found to be engaged and willing to help. That said, feedback in terms of support processes indicated a patchy, uneven, and unpredictable response with frequent procedural roadblocks that give rise to ad hoc arrangements, 'work-arounds,' and networks of private relationships.

The new funding model shifts payment criteria from the input cost end of the equation towards the outcome or output end. This is a fundamental shift in emphasis and will no doubt surface as changes in business strategy in due course. What we have learned from the outset is that issues such as completion rates, final scores, and excellence in matching students to courses are critically impacted by two crucial student requirements:

1. Community and industry outreach support for students (notably language support)
2. Enabling access via the accreditation of prior learning,

These are essential for the evolution of the Institute into a proactive, flexible, agile, and responsive organisation, and are particularly important given the specific demographics of the SWSi catchment.

The 'Smart and Skilled' initiative represents a sea-change in attitudes to educational outcomes, to the delivery of further education, and to the sorts of institution that government will support and fund going forward.

The full implications of 'Smart and Skilled' will require detailed consideration at the executive level, and an understanding that there are clear implications in terms of organisational culture, design, delivery model, and the governance/ risk / compliance stack.

2.1.2 Operating Model

The Operating Model of an organisation can be described most simply as 'how we do things here'. Underlying this somewhat informal definition there are formal structures, processes, and roles, as well as informal practices (mentioned above) that may have emerged over time in areas where either there has been no direct oversight, or where formal processes have broken down or have become unwieldy and unresponsive.

The research undertaken by Enosys has revealed both formal and informal practices are in play at SWSi. In the area of ICT support a range of alternatives solution paths have been woven together based upon personal relationships, specific areas of expertise, and necessity. Traditional ICT operating models are still very much evident and are still by and large effective. For instance, budgetary control over ICT expenditure is evident at the core, with some sporadic informal processes arising in areas such as local wireless deployments and other smaller purchasing decisions.

There are significant operating issues emerging between SWSi and ITD, particularly in the areas of:

- Medium to long-term planning,
- Responsiveness within ITD to changes in SWSi's environment or business drivers
- The exact division of roles and responsibilities in various areas between ITD and SWSi.

Overarching these issues are the impending changes to the services offered by ITD over the next few years and the expected difficulties that will be experienced in synchronising and defining any hand over process and timeframe. It is not yet clear how, or to whom, ITD will hand over responsibility for shared services.

The current operating model is not fully documented in the area of ICT. Roles and responsibilities between ICT and the business and within ICT itself are not clearly elucidated, agreed upon or understood. A notable example of a mismatch in the ICT operating model has arisen between core ICT and the educational IT development team, ITEL. In this case there is overlap in the delineation of roles and responsibilities, as well as in development and implementation process and planning. This is an ongoing challenge that should be addressed by defining a formal framework and process for interaction to which both parties commit.

A significant mismatch in the ICT operating model has emerged in the definition of roles and responsibilities, development and implementation process and planning, between core ICT and the educational IT development team, ITEL.

This is an ongoing irritation that should be addressed by defining a formal framework and process for their interaction to which both parties commit.

2.1.3 Organisation and Culture

From the point of view of Organisational Culture and Culture Change, it is evident that SWSi has strong internal cultural ties, and that there is a distinct and tangible sense of belonging and commitment. At the same time there may be pockets of reticence, confusion or even cynicism resulting from lack of understanding of the changes to the broader environment, lack of clear communication, or a sense of disappointment or hopelessness in some individuals. We encountered very occasional instances of what might have been 'learned helplessness' in some quarters. This sense of helplessness often arises in relation to persistent technical issues. In our investigations clear evidence emerged that technical issues were not being addressed, or delegated to the 'too hard' basket. These are the areas where workarounds and informal processes inevitably emerge.

Since the current organisational culture did not evolve in an environment of rapid change it is predictable that some cultural change will be necessary to meet the demands of agility, responsiveness and commercially savvy competition that the new environment will demand.

The current organisational design has emerged over time in response to occasional major (e.g. introduction of Faculty of Foundation Skills), and more often minor, shifts in the environment. It is probable that an overall organisational redesign exercise would also be beneficial at some point.

In the short term the design of the ICT organisation would probably benefit from more immediate attention. Specifically areas such as roles and responsibilities, project teams, and support functions may need to be refined or even redefined.

2.1.4 Governance

The area of Governance, and to some extent those of Risk and Compliance were examined in an Enosys workshop. A corporate governance, as opposed to ICT governance, framework is in place and there are some defined processes surrounding that framework, such as calendared events. It is not the purpose of this review to examine corporate governance, except in order to understand the context in which to locate ICT governance.

However, ICT governance appears somewhat patchy with notable gaps. A specific area that emerged during the workshops was the issue of the integration between ITEL and ICT. Participants were of the opinion that the two teams should continue to be kept separate. Nevertheless, their interaction, and a mutual understanding of their roles and responsibilities via a joint planning and approvals process were seen as necessary to ensure their respective efficiency. Two areas that stand out as gaps in comparison to best practice are:

1. The absence of a standing ICT Steering Group having responsibility for resolving business issues that may arise in ICT projects, and for constituting an underlying ICT Architecture Committee, and
2. The absence of an ICT Architecture Committee, reporting to the ICT Steering Group, with responsibility for approving the enterprise architecture and roadmap, and resolving technical and IT architecture related issues.

There is currently no formal body or process for resolving architectural questions, and there is consequently a plethora of solutions and technologies emerging across the Institute that have never been formally appraised from a software architecture perspective. This gap gives rise to 'ad hoc-racy' when it comes to software selection and integration.

An example of how damaging this can be, and how important governance and specifically architectural governance is to the Institute is the recent implantation of an online application, 'EBS', in the educational sphere that consumes large amounts of scarce network bandwidth to the detriment of other users. It is not necessarily that the software is not a good choice for the desired educational outcome, but is has introduced a number of challenges for the network. It is essential that no new technology is deployed at SWSi without proper oversight and evaluation from an enterprise architecture point of view.

2.1.5 Risk and Compliance

As a result of the existence of corporate governance structures such as the Capital Asset Strategy Reference Group (CARG) and the active involvement of executives and senior managers, SWSi has in place a risk management capability in the area of ICT. The involvement of corporate governance in ICT issues tends to be cyclic and influenced by ICT crises or major investment decisions. At present ICT is governed within the Capital Asset Strategy Reference Group and does not have its own reference group. There is likely no great pressure within SWSi for the establishment of an ICT Reference Group and greater value may be had by expanding the work of the Capital Asset Strategy Reference Group, perhaps by way of a sub-committee, or additional ICT related meetings, to include a greater focus on ICT matters.

At a level below that of corporate governance it is clear that more could be done to improve ICT

governance. As mentioned, the area of Architecture and Project Management would benefit from more explicit governance structures and processes.

Beyond architecture and projects, there is a general misunderstanding of roles and responsibilities at all levels (sub corporate governance) and a general mismatch between business and ICT decision making. This is evident, for example, in the lack of serious risk assessment around some innovations and purchases and the absence of any application of the concept of risk appetite, i.e. a trade off in decision-making around risk between the business and ICT, as well as between risk and reward.

It is understood that public sector institutions are, and should be, constrained by strong probity and procurement rules, however it is also the case that those rules are applied differently in public corporations in contrast to government departments. Enosys makes no suggestion that probity or purchasing rules should be diluted, but what is suggested is that those rules may need to be revisited as the TAFE system moves into a more competitive environment. SWSi should ensure that Institute's culture and practices are kept in line with market pressures and that they comply with regulatory requirements. The important point being management of the tension between competition pressure and the regulatory environment. An important step is to begin by recognising the challenges, and recognising that such a tension exists.

In summary, risk management and compliance structures and processes must permeate throughout the organisation from top to bottom. To oversimplify the current situation - an annual funding round at board level, duly accompanied by governance, and risk and compliance activities, will not be sufficient to govern and manage ICT on a day to day basis in the evolving commercial environment.

2.1.6 Service Definition and Service Level Management

The ability for ICT and the business to plan from the same 'map' and to speak the same language is crucial for efficient and effective application of technology to the needs of the business. At present the various services provided by ICT are not comprehensively defined either in terms of a detailed definition of a service nor in the cataloguing of all services. As a result it is extremely difficult to answer questions such as *'What is the service level for this service?'* or even *'Who owns this service?'*

It would appear that not all services are catalogued, i.e. there is no comprehensive list of all ICT services. This means that ICT cannot say, and the business cannot know, exactly what ICT is doing, what services it offers, what resources they consume and so on. It also means that service levels cannot be set, metrics cannot be defined or measured and overall performance cannot be monitored.

It is essential to begin with, that at least the top ten services that the Institute relies upon are document and catalogued as soon as possible. The remaining services should be defined and catalogued in due course as a business-as-usual activity by ICT.

As the main services are catalogued each definition will enable a conversation to be had between ICT and the business to plan the future of that service, determine the appropriate metrics to measure performance, and the appropriate monitoring regime to monitor performance. This will, over time, lead to greater service quality, stability, performance, and to greater business trust in ICT as well as improved user experience. These things are essential to competing in a commercial environment.

2.1.7 Benefits Management and Value Realisation

Currently ICT investment decisions do not go through a formal Benefits Management process. This means that the expected benefit of the investment is never fully defined or quantified, and a measures and monitoring system are never put in place. Consequently the benefit of many ICT investments is understood anecdotally rather than by a tangible measure.

Having made the investment, and implemented the ICT system, there is no formal Value Realisation

process (predicated upon the earlier Benefits Management effort) by which the expected value can be ascertained, monitored, and reported back to executive decision makers. These gaps make it difficult to confirm the expected benefit of an investment and its fulfilment of business strategy or subsequently to measure and monitor the value returned.

There are many ICT investments that can and do return value, but which are in no way related to the strategy of the business, these are often ICT or enthusiast led investments. One of the roles of Benefits Management as a practice is to ensure that all investments are directly traceable back to strategic priorities. That way investment funds are correctly targeted, and the benefits are of strategic value.

Likewise, there are many investments having clearly defined strategic benefits which are never measured or monitored as they are implemented and rolled out, leaving the organisation without any reliable feedback as to the true value of the investment.

Both Benefits Management and Value Realisation practices are likely to be required by SWSi as the environment evolves.

2.1.8 Summary of Current-State of ICT Services

1. Business and IT Strategy is not aligned.

2. An IT strategy currently does not exist.

3. A number of staff within ICT Services is in an acting role. There is also a number of staff currently working in roles that do not adequately match their skills and competency.

4. With the exception of Marketing, there is little formal alignment and consultation between the SWSi business groups and ICT services. This is resulting in a reliance on personal relationships and hence a prioritisation of individual requirements over overall business requirements.

5. ICT Services is currently consolidating from nine computer rooms (data centres) down to three. These three computer rooms shall be at Bankstown, Granville and Wetherill Park.

6. ICT Services have an appropriate infrastructure platform at Granville and Bankstown but inadequate inter-data-centre connectivity is hampering ICT Services ability to fully utilise the assets at Granville in-particular as a secondary data centre.

7. Business Continuity and Disaster Recovery planning is incomplete. If the Bankstown computer room suffered an outage, ICT Services does not currently have a plan to address this.

8. Core systems delivered by ICT Services (Moodle, SWSi Website, SharePoint and CRM) are not implemented for high-availability. If the Bankstown data centre suffered a service outage, these core services would be unavailable to the SWSi business.

9. Current provision of internet services via NSW DEC – ITD is hampering SWSi users requiring basic internet services. This is due to a lack of throughput to the Internet at the ITD data centres and the constant requirement for (re)authentication from the ITD proxy servers.

10. ICT Services does not have a project management capability. This means that projects are not appropriately defined, do not have focus, suffer from lack or resourcing and do not have appropriate management of budget, risks, issues and dependencies and deadlines. Consequently, delivering important projects, including Moka5/Altiris and Monitor is heavily constrained.

11. IT procurement is focussed on purchasing components rather than outcomes. Often requirements are not formally documented nor developed with and signed-off by the SWSi

business user groups.

12. Historically there has been little or no leveraging of specialist third-party ICT service providers with a reliance on delivering IT-based services entirely in-house.

13. The Service Desk has a low level of maturity. This is characterised by ad hoc and informal arrangements and work-arounds, a heavy use of the service desk for user-training related issues, and an inability to accurately categorise and prioritise calls leading to poor management of SLA's.

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3 Target State Definition

3.1 Business Strategy and Operating Model

When it comes to defining the desired target state for an organisation as large and complex as SWSi, a combination of patience and prudence are required. Enosys has taken an approach of prioritising areas that we believe will deliver the largest return on investment in the shortest timeframes.

By prioritising a few major themes we focus resources, including management time on those areas that should be addressed first and foremost, leaving other areas, particularly those that have a dependency upon the early changes, to be addressed later.

We have selected four areas at the strategy and operating model level that we believe are most important in correcting existing fundamental issues, and then in setting a new course that better aligns to the emerging business strategy, environmental changes and unique SWSi challenges.

We have provided industry standard models, refined for the specifics of SWSi, as guidelines in each area. As there is a great deal of detail available in this area, we have placed some of the more detailed analysis and 'workings' into the appendices at the end of the document.

Below we will present and discuss each model in the context of SWSi and identify immediate and medium term changes suggested by applying the models to SWSi's specifics.

3.1.1 External Environmental Issues

The target state, or 'where we want to be' is beset by various external influences, constraints and demands, many emerging from Government priorities, with some from social or technological changes and innovations and others from developments in Australian and regional economies.

Figure 1 – "PEST" Model

In order to summarise these external influences we present below a so-called Political, Economic, Social and Technological analysis (PEST) which helps to place our specific analysis of SWSi's target state within the broader context.

We will offer some commentary on each item identified in the PEST model.

Political

The overarching external environmental change impacting SWSi is the Smart & Skilled initiative. This will drive much, but not all, of the evolution of SWSi as an organisation.

Smart and Skilled is one of many NSW government initiatives, standards and strategies that will impact SWSi and to which SWSi will need to respond.

Other NSW Government initiatives include the GovDC centralised data centre initiative which, even if SWSi does not directly engage, will very likely become a future home of some ITD services. Other emerging initiatives include:

- A NSW Government risk framework based on the ISO 31000 standard[4],
- Information management and taxonomic standards which will directly impact data transfer and reporting.
- The centralisation of government CIO leadership and government initiatives such as the Government Sector Employment Act the Government Employee Number etc.
- The NSW Government ICT Strategy[5], including the ICT Investment Policy and Guidelines[6] initiatives to encourage agencies to procure 'as a service' module under the Procure IT Framework
- The NSW Government move towards using SFIA as the standard model for ICT skills.

ITD itself must change quickly if it is to remain relevant to *competing* TAFEs. There is a natural tension between **co-operating** in shared services where there is a mutual interest in so doing, and in **competing** in areas where TAFEs believes they can gain a competitive advantage. As educational software, particularly with respect to on-line delivered content, which is likely to be one of the battle grounds over the next few years, the role of ITD and how it manages its services and responds to TAFEs will be of some importance. It is vital to SWSi that the future of ITD becomes transparent and planned such that SWSi and other TAFEs can put in place appropriate and viable ICT strategies. At present the role and future responsibilities of TAFE NSW, particularly in relation to the services currently provided by ITD, are unclear and uncertain. SWSi needs to know what the future holds for TAFE NSW.

Economic

The whole area of economic competition, the understanding and pursuit of areas of coopetition, and the formation of new alliances, will exercise the minds of the SWSI executive team. The area of competition is probably the best understood, and may therefore be the area that most TAFEs will instinctively focus upon. Differentiation and providing excellent service to your own community and catchment will become an

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[4] TPP12-03b Risk Management Toolkit for NSW Public Sector Agencies: Volume 1 (http://www.treasury.nsw.gov.au/__data/assets/pdf_file/0019/22564/TPP12-03B_Risk_Management_Toolkit_Vol1-Agency_Guide_dnd.pdf)
[5] NSW Government Digital+ 2014-15 ICT Strategy Update (http://www.finance.nsw.gov.au/ict/resources/digital-2014-15-ict-strategy-update)
[6] NSW Government, ICT Investment Policy and Guidelines, February 2014 (http://www.finance.nsw.gov.au/ict/sites/default/files/NSW%20ICT%20Investment%20Policy%20and%20Guidelines_1.pdf)

increasing focus for management.

However, forming an early understanding of areas of potential coopetition and alliances may offer opportunities to side step an excessive focus on differentiation and enable SWSi to leverage ITD services more effectively, and to find new markets and new products/services earlier.

ITD or its successor must continue to offer shared services to NSW TAFE and it must be the case that these shared services, to the extent that they are shared, are potential areas of cooperation and cost cutting. A clear grasp of which services can and should be shared, and which offer potential for differentiation will be important. SWSi will not want to contribute towards the cost of a service that it does not want or need to use.

In regards to alliances, there are numerous private training organisations that offer commercial, regulatory or business qualifications that are not typically provided by the TAFE sector. If these private training organisations are new competitors moving into areas traditionally occupied by TAFE, then it is only reasonable for SWSi to examine new markets and the potential of forming alliances with regulators, the banking and finance sector, and so forth, in order to offer professionally accredited courses. In addition, SWSi could review its provision of 'overflow' or specialist education for the secondary schools sector, and particularly for the HSC.

In terms of differentiation, SWSi will no doubt examine new competing products, perhaps in the on-line, or mobile markets, both with a view to understanding the competition, and to understanding the opportunity to achieve differentiation by taking advantage of these new products and services for their own students.

Social

When attempting to differentiate services, it is essential to maintain a ready grasp of your market so as not unintentionally lose the confidence of your core customer base. Any differentiation should take into account the unique demographics of South West Sydney and should attempt to offer improved, more compelling, and more valuable services to this group. [Note. It is valid to differentiate into new markets as a conscious strategy, but it is best to avoid accidentally shifting away from your current customer base.]

In this regard, the areas of Access, Support, Accreditation of Prior Learning, and Outreach form the four sides of a strategy aimed not just at maximising the take up of SWSi services by the community, but also the successful completion of courses, and eventual move into employment or improvement current employment.

There are three sectors or age groups that particularly benefit from TAFE services. These are youth, given the excessive and growing levels of youth unemployment, the middle years where employees return to gain enhanced skills, and the more mature clients wishing to refresh or retrain in order to change their life trajectory at that point.

Finally there is a potential market in the growing area of retirement, triggered by the baby boomer bubble which is prevalent across Australia.

Technological

The most obvious, but not the most obviously useful, current technology trend is in 'Cloud' computing. This term, from a consumer's point of view, includes any online service whether its underlying server base is in 'the cloud' or not. Whether a service is or is not actually cloud based remains an important question in terms of understanding service levels, availability and the robustness of the service being offered.

The most immediately accessible areas, where advantage can be gained from cloud services, are in data storage and variable compute capacity. These areas offer improved disaster recovery and business continuity planning. Cloud platforms also provide the functionality to 'burst' or to be elastic in order to meet

the growing and shrinking demands placed on them.

For SWSi, we envisage early review of cloud storage and re-platforming some applications to genuine, Australian base, cloud service providers. We will recommend a planning workshop to review your top ten ICT Services from a potential re-platforming point of view.

Bring your own device (BYOD) has become a mantra of modern IT departments, and if done well can enhance user experience and significantly reduce costs. SWSi has made significant moves in this direction and we envisage further extension and refinement of the BYOD offer to students and faculty in due course. We will be making recommendations in this area.

There is an increasing prevalence in on-line training, and much of it (or of the content at least) is free. This is a significant environmental fact that cannot be ignored and must be dealt with. The key four differentiators for an educational establishment with regard to the availability of free online content are:

Quality of Education – It is essential to establish beyond all doubt that the quality of education at SWSi is of the very highest international standard. Technological support for this aim can be provided by demonstrably excellent networks, educational software, (competitive) admissions, student management software, support for BYOD, access to streamed video and other online course content at any time, student centred access, linguistic and cultural support in software and so on. It is important that ICT increase and improves its contribution in this area. We will be making recommendations as to how this can be done.

Value of Accreditation – As content is often free, it is essential to project and protect the value of formal accreditation. Obviously ICT can contribute to this by providing excellent support for content management and website access to proof points that show the practical value of formal accreditation both in general and on a course-by-course basis.

Excellence of educational outcomes – It is important to show that accessing content via a formal training programme leads to improved, ideally excellent, educational outcomes. This can be shown in completion rates, number and proportion of passes, and average final marks. The role of ICT in this is to support faculty staff by providing excellent educational software, networks, BYOD, and by supporting the informational and marketing activities of the Institute in promoting these values. We will be making recommendations around these matters.

Excellence of post educational outcomes – It is also important to track final outcomes, the ultimate purpose for many people of the education they undertake – how did they get on? How soon did they find work, or improve their position? ICT can support this aim by providing access to student alumni, post educational access to course materials, and social media for current and past students to provide feedback and commentary. This will encourage an ongoing relationship with the past and present student body and thus track outcomes more effectively. We will make some recommendations in support of ICT's contribution in this area.

3.1.2 Governance

The diagram below was workshopped with SWSI and found to be a useful approach to defining the relationships between the following desires:

1. Strategy / Operational Model and the appropriate ICT response and behaviours.
2. Governance Policy and the ICT governance mechanisms
3. Business performance goals and the relevant ICT metrics and accountabilities

The model also shows how desired Strategy and Operational Models determine desired governance policy and how governance in turn determines performance goals.

This model should be filled out in future workshops with appropriate detail under each of the six segments. This will lay the foundation for planned, integrated governance from the Capital Asset Strategy Reference

Group, continuously down through to the ICT organisation and the sections and business units.

The target state should also have a duly convened Business Steering Group and Architecture Committee comprised of administration, academics and ICT staff.

- The purpose of the Steering Group is to handle business related issues arising from time to time from ICT projects.
- The purpose of the Architectural committee is to manage day-to-day ICT issues and enforce architectural standards across the Institute.
- The committee refers issues as necessary to the Steering Group, which itself refers matters as necessary to the Capital Asset Strategy Reference Group.
- This reference group may elect to convene a sub-committee to handle these tasks.

As is shown in the diagram, the target state will also include formal provision for projects in the form a Project/Service Portfolio Management applied as appropriate to the needs of the Institute. There may need to be some kind of formal projects group, potentially a Program Management Office (PMO) function, in order both to manage the portfolio of projects, and also to deliver each individual project. Where 'business as usual' (BAU) staff effort is required, this will need to quantified and agreed ahead of time.

Figure 2 – Draft Governance Framework

Governance is at the core of command and control; it is how executive intent is conveyed to managers and ultimately the means by which risk is managed and compliance is ensured.

A fundamental principle of governance is the separation of governance and management functions and processes. The diagram below calls highlights this principle.

Figure 3 – Governance vs Management based on CobiT 5

We recommend the application of the CobiT 5[7] model to ICT governance as set out in the diagram below. Our later Gap Analysis section is based upon these concepts. The purpose of COBIT is to provide management and business process owners with an information technology (IT) governance model that helps in delivering value from IT and understanding and managing the risks associated with IT. CobiT helps bridge the gaps amongst business requirements, control needs and technical issues. It is a control model to meet the needs of IT governance and ensure the integrity of information and information systems.

Figure 4 – Governance and Management Key Areas based on CobiT 5

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[7] Control Objectives for Information and Related Technology (CobiT) v5. (http://www.isaca.org/Knowledge-Center/cobit/Pages/FAQ.aspx)

Figure 5, below suggests a possible governance and management framework for SWSi. The model will need to be refined and developed in consultation with the SWSi executive in due course.

SWSi - Governance and Management of ICT Services

Figure 5 - Potential SWSi Governance Structure based on CobIT 5

Strategy Alignment

During Enosys' investigation it was found that good **business to ICT alignment** at the highest levels of decision making particularly for the larger spending decisions occurred. At board and executive level, processes are in place and working. However, the alignment between ICT spending and business strategy at lower levels of the organisation and for smaller spending decisions appears to become more and more tenuous as the distance between the decision maker and Board increases.

There is a need for a simple technique by which tactical decisions can be checked and validated against SWSi's business objectives and strategy. Our recommendation is to use the 'Objective/Strategy/Tactics' or OST approach to validating tactical decisions. This process is so simple that we hesitate to call it a 'model', it is more like a mnemonic, and it works like this: for illustrative purposes we assume the following statements represent SWSi's Business objectives and Strategy:

Objective – SWSi will thrive and grow in the new world of *Smart and Skilled*.

Strategy – SWSi will achieve this goal by becoming increasingly agile and responsive to the market.

Tactic – In order to further these goals in, say, the cafeteria area, we will proactively seek the views of our

customers as to the product and services we deliver and we will improve our menu in a manner which is responsive and respectful to our customers' needs.

This simple approach helps to align tactical decisions back to the main goals of the organisation and reveals if a decision is off track.

3.1.3 Risk Management and Compliance

The International Standards Organisation (ISO) recently adopted the previous Australian Risk Management standard as ISO 31000. This standard can be applied as rigorously or as lightly as necessary.

The three sections below set out the main points of the standard in a set of principles for a risk framework and a risk management process. We will address each of these in turn.

Risk Management Principles

The ISO 31000 standard defines the following eleven (11) principles which inform and determine how ICT Risk Management may be applied at SWSi.

These principles are:

1. Create and protect value
2. Based upon the best available information
3. Forms an integral part of the organisation's processes
4. Is tailored to the organisation's needs
5. Is an intrinsic part of decision making
6. Takes human and cultural factors into account
7. Explicitly addresses uncertainty
8. Is transparent and inclusive
9. Is Systematic, structured and timely
10. Is dynamic, iterative and responsive to change
11. Facilitates continual improvement of the organisation

All the principles set out above are important, however in terms of the desired state the focus should be on:

- Ensuring the framework and process form an integral part of SWSi's processes;
- Tailoring the framework and process to the specifics of SWSi;, and
- Ensuring that risk management is an intrinsic part of decision making at all levels.

Having said that, all the other principles should be adhered to and will be reviewed in due course.

Our recommendations will focus on building Risk Management compliant with the ISO 31000 standard into SWSI's process for ICT. We do not recommend seeking formal ISO 31000 certification at this point.

Risk Management Framework

The ISO31000 risk management framework defines the following key steps:

1. Obtain a mandate and commitment from the organisation to drive risk management into the specified area.
   a. For the target state we will seek a formal mandate to implement the ICT Steering Group and the ICT Architecture committee mentioned elsewhere in this document.
   b. We will recommend the formal review and management of ICT risks between these two layers of decision making, always allowing for specific issues to be raised to the Capital Finance Strategy Reference Group or even the SWSi board if required.
2. Design the framework for managing risk in line with the principles but taking into account the specifics of SWSi's organisation and risk profile.
3. Implementing the risk management framework will require:

a. Establishment of the appropriate bodies (see 1.a above)
b. Workshopping the Risk Framework
c. Obtaining signoff for the risk framework
d. Training staff in the application of the risk framework
4. Monitoring and review of the risk framework
   a. We will recommend formal quarterly review of the ICT Steering Group's risk work by the Capital Finance Strategy Reference Group, and monthly of the ICT Architecture committee by the ICT Steering group.
5. On an annual basis we will recommend a continual improvement review of risk management.

We recommend that the principles set out above be embodied in the governance framework. Each component of the framework needs to be workshopped and documented prior to implementation. Implementing the framework and processes is where the rubber hits the road. This is a detailed organisational effort to build the correct structure and processes directly into the normal everyday functioning of the organisation.

At the same time as the risk management framework is defined and implemented, the associated risk management process must also be defined and implemented.

The framework defines the structural elements required to manage risk, whereas the process defines how that structure will be put to work. The risk process itself is described below.

1. Establish the risk context, is an annual activity which includes defining and understanding SWSi's risk appetite and how decision rights will be delegated from the Board down through the organisational structures set out in the framework. Establishing the context also includes compiling a high level categorisation of the types of risk and areas of uncertainty impacting the TAFE.
2. The next step in the process is to carry out the risk assessment itself. This is an iterative process which occurs more often that establishing the context, typically monthly at the ICT Architecture Committee level.
3. Within the risk assessment there are three sub-steps.
   - Risk identification in which potential risks are surfaced and documented. This process can often throw up a number of minor risks that do not warrant formal management. These minor risks will be discarded through the application of the process.
   - Risk analysis is where each risk is assessed in terms of its likelihood, potential impact and, where relevant (e.g. in potential social media risks), its likely speed of development. [Note. Social media risks are notorious for arising suddenly and unexpectedly, growing exponentially quickly, and spreading very widely, leading to disproportionate reputational and other risks.]
   - Risk evaluation is where risks analysis moves into the formal determination of a treatment regime. Minor risks identified as such at this point will be noted but removed from the actively managed risk register. During evaluation the risk is given a formal position in the risk matrix.
   - The next step is to formally apply the appropriate treatment such as - Avoidance, Insurance, Mitigation and Contingency etc.
   - A continuing monitoring function is carried out at risk meeting on, say, a quarterly basis to ensure that the process is running well and is delivering the reduced risk and management of uncertainty the SWSi requires.
   - In addition to the monitoring function there is a constant process of communication and consultation with the business and with the ICT Steering Group as required.

We recommend the implementation of an appropriate risk process such as that set out above to work in line with the principles and framework already discussed.

This is a summary of the basic risk management principle, framework and process.

We recommend that risk management consistent with ISO 31000, be implemented across the ICT function.

It will need to be refined and made directly applicable to the specifics of SWSi. There is a significant organisational change management aspect to this effort – it is not just a technical exercise for risk professionals.

1.1.4 ICT Service Definition and Catalogue

In the target state SWSi will have a defined service catalogue and for each service, a defined service description.

The catalogue will be structured into general categories such as:

- Business Services
- Personal computing Services
- Central IT Services
- Communications Services, and
- Professional Services

Each of these categories will then be broken down into underlying component services such as:

Business Services

- Email
- Office automation applications
- WEB Services
- SAP Services
- Finance Applications
- HR Applications
- Business Processes

In this way an overall catalogue of services will be compiled which can form the basis of conversations within ICT, and between ICT and the business and external vendors.

This is essentially a business document not a technical document. The business often sees the catalogue as menu of choices.

We recommend the development and implementation of a Service Catalogue

Service Definition

Underlying each component service there will be a detailed service description known as a service definition.

The Service definition is more technical and detailed than the catalogue but is still a very useful business document. Often there will be a business section and a technical section to allow for the specific requirements of both communities.

The service definition will address questions such as:

Question 1: What is it, and how do I get it? (Service Description)

Service summary

- Features & Functions
- Service Request Process
- Availability, Metrics & Statistics

Question 2: How do I get help? How do I use the service? (Help and Self-Service)

- Getting Help
- Self-Service Support

Question 3: What Does It Cost? (Service Cost and Pricing)

- Actual costs of services identified by Business Services

Question 4: How does ITS support this service? (Service Support)

- Eligibility for service
- Clients and services affected by changes to this service
- Escalation process
- Documentation and Training for Support

Question 5: How does ITC provide this service? (Service Delivery)

- Technical Specifications
- Technical Service Delivery Documentation
- Service Level Agreement (SLA)
- Operating Level Agreement (OLA)
- Production Support / Operational Processes
- Capacity Management

We recommend the development and implementation of detailed service definitions for the top ten or so SWSi ICT Services.

3.1.5 Benefits Management and Value Realisation

Applying the benefits management model will require some training for both ICT and business staff. This is not necessarily an onerous process to apply however it does require the active participation of the business and ICT.

Set out below are the basic steps used in benefits management:

The process is cyclic, choosing a starting point is therefore somewhat arbitrary. For the purposes of this discussion we will start with the step of identifying and structuring benefits.

1. Identifying and structuring benefits. This begins the formal process of understanding what the potential benefits of the project are, and in aligning those benefits with the strategy of the organisation. There is a detailed formal process by which the analysis is done and the linkage between the specified change, the expected benefits, and the strategy of the business is documented and formalised. Benefits which do not link to strategic requirements are noted but do not form part of the justification or ongoing monitoring for the purposes of benefits management. Non-strategic benefits may be monitored and measured for other purposes.
2. The next step is planning the realisation of the identified strategic benefits. How these benefits be realised? Specifically what must happen to ensure that these benefits flow?
3. Execute the benefits plan. This is a process of putting in place the measurement and monitoring features needed to manage the specified benefits. This is different from implementing the project, which is obviously essential but which is an enabler of benefits management since it is the project that delivers the product or service from which SWSi will derive benefit.
4. Reviewing the benefits management process and evaluating results has two parts to it. First is the process of improving benefits management, and second is the process of seeking improvements to

the existing benefits, i.e. driving a greater return from the project.

5. Finally, a review of new benefits and evaluation of the potential for deriving further benefits from the project.

We recommend the implementation of a formal benefits management process as part of every new project over a threshold value. The threshold value, as well as the application of benefits management to SWSI, will have to be workshopped. In addition there will be a requirement for staff training and for leadership in the use of the technique to begin with.

3.1.6 Value Realisation

Value realisation is the 'flip side' of benefits management. Whereas benefits management is focussed at the outset of the project, value realisation starts once the project is delivered. Similar to that of benefits management, value realisation is also planned up front prior to project kick-off. It is often positioned as part of the Organisational Change Management (OCM) of the business change, and consequent ICT project.

This is because value realisation requires adoption and productive use of the business change. For example in order to realise value from a new social media platform, people would have to use it. OCM is often the approach taken to ensure that people understand the change, are not resistant to it, are willing to participate in the change and therefore, that value is realised from it.

We recommend a workshop on value realisation followed by the implementation of value realisation as a practice within SWSI.

3.2 ICT Services Future-State Characteristics

SWSI ICT Services as a Service Provider

SWSi should become a true service provider. Execute on the Management Function

3.2.1 More Elastic Delivery of ICT Services and Management of Costs

One of the key Target State objectives of this report is for SWSi to best position itself to be able to elastically respond to changes in student enrolments and revenues and to be able to better manage their ICT costs in the face of a changing, more competitive environment under *Smart and Skilled*.

Up until now, SWSi's funding or revenue model as well as its ICT cost profile has been largely linear, with marginal increases year-on-year to allow for growth and increase costs in delivering education.

Under Smart and Skilled, ICT Services will need to be able to cater for a more volatile enrolment (and therefore revenue) profile by being able to scale-up and scale back the delivery of IT Services (and therefore costs). This is illustrated below in *Figure 6 – Target vs Current State Profile of IT Costs.*

Figure 6 – Target vs Current State Profile of IT Costs

Currently, a large proportion of ICT costs are classed as fixed costs with an overhead charged-back to the Faculties and various SWSi business units. SWSi will need to review all fixed costs and reclassify them as variable where possible. This will provide faculties and business units to have a better understanding of what ICT costs are currently charged back to them as fixed overheads.

Additionally, once key ICT services (such as Moodle, SharePoint, desktop and other basic IT services) have been documented and signed-off as defined, costed service catalogue items, SWSi business units will consequently be in a better position to reassess the consumption of these services against their requirements and be able to scale-up and scale-back their consumption of these services in the face of their changing demands under *Smart and Skilled*.

3.1.2 Focus on Strategic IT Services

ICT Services should focus its limited resources on those IT services that deliver educational outcomes and assist the SWSi business compete in the market for higher education services.

Currently ICT Services is suffering under the strain of internal delivery of many of the services it provides to the SWSi business. This includes the delivery of non-core services that do not differentiate SWSi from its competitors or of commoditised IT services that could be more efficiently delivered by third-party service providers.

ICT Services should propose to the IT Steering group a list of services that is considered core or strategic to the SWSi business and will differentiate it from its competitors. For these services, the IT Steering Group needs to develop a strategic plan within its IT Strategy. For all other services, ICT Services should consider a range of options for the most efficient delivery of those services in-keeping with a proposed framework around benefits management and value realisation.

Consideration of Alternative Methods of Service Delivery

This may include internal delivery, delivery from specialist third party service providers, or a combination of both. At the moment ICT Services is being reactive in its delivery of IT services and an important factor contributing to this is the complete reliance on internal delivery for all IT services irrespective of its strategic value to the business

It must be noted that there will likely be resistance from some SWSi users where provision of commodity IT services is transferred to more efficient third-party service providers. This is entirely understandable where users have been used to a certain status quo for a long period of time. The IT Steering Group needs to ensure that its focus remains on its IT Strategy and supporting the SWSi business under the transition to *Smart and Skilled*.

3.2.3 Service Delivery Focus

Importantly, if a service is delivered via a third-party, ICT Services is still responsible for the provision of that service to the IT Steering Group. In many instances where third-party services are procured, they will be a component or subset of other turnkey services. In this environment, ICT Services shifts from its current operational-level focus of components, inputs and the day-to-day activities associated with "keeping the lights on" to one where it proposes, defines, constructs, manages and enhances IT services in-line with the direction set by the IT Steering Group. This is illustrated below.

The transformation of ICT Services from its current Operational focus to a Service focus shall have several key elements:

- Transformation to a Service Focus is a strategic initiative at the SWSi business level – not a tactical initiative within ICT Service alone.

- Migration to a Service Focus is a journey – not a "big bang".

- This journey involves people, process, and technology underpinned by a governance framework.

- The Journey shall addresses existing pain points and areas for longer term transformation

- Embraces heterogeneity - leveraging existing "investments" rather than "rip and replace".

- Shall require a collaborative approach with business users, stakeholder groups such as TAFE NSW and delivery partners such as DEC-ITD.

Figure 7 – Journey from an Operational Focus to a Service Focus

Whilst this is achievable, it will require a considerable level of transition and change from the current state and is addressed in a number of the proposed Recommendations and Prioritised Migration Plan.

Formalise Internal and External Relationships

There is a need to formalise the relationships the Institute wishes to maintain internally and between itself and external bodies, whether with TAFE NSW, ITD, vendors or commercial partners. The explicit definition and management of relationships will be of increasing importance / commercial value in the years ahead.

The Management of Relationships relates also to the support function, dealing between faculty and ICT, and dealing between application developers and infrastructure managers. There is a cultural and change management issue implicit in the current ad hoc arrangements and use of personal relationships to circumvent the ICT support process or simply to make it work. Formal responsibility matrices and processes need to be developed or reiterated. In addition there is a conversation to be had with ITD regarding support now and the evolution of services in the future and the provision of services in a competitive, agile and responsive world – less than a year away.

4 Gap Analysis

4.1 Gap Analysis of SWSi ICT Governance Capability

The gap analysis outlined below will focus in greatest detail on ICT governance and the alignment of ICT strategy to business strategy. We undertake a Gap Analysis for each of the underlying ICT Governance sub-process utilising the CobiT Capability Model.

At the end of this section a summary heat map presenting Enosys' analysis of the capability of the areas we have discussed is presented.

SWSi Governance and Strategy Alignment

In this section we examine gaps in SWSi's process capability across various domains. For the purposes of this report we will not cover off all areas in detail but focus instead on the areas we see as being most important to SWSi at this juncture. Later in this section we review specific technical gaps, for example in network or other infrastructure.

We have applied the CobiT 5 governance and strategy model as our framework in a general sense across this documents. We use CobiT because it is an established (currently V5) and comprehensive model and framework widely used throughout the industry. This means that it is reliable and understood, training courses are easily available to staff and market resources will be available for hire in future.

Section Organisation

The discussion in this section is organised hierarchically, starting with:

1. The key business pain points and business needs that we have identified.
2. Mapping pain points and needs to the CobiT 5 Enterprise Goals.
3. Aligning the CobiT 5 IT Goals to the selected Enterprise Goals.
4. Then mapping the relevant IT goals to specific CobiT 5 IT Process.
5. And finally evaluating those processes using the CobiT 5 Capability Model.

In this way SWSi's is able to align the specific IT remediation tasks Enosys recommends directly back to the IT processes they relate to, the IT goals that we wish to achieve, and the Enterprise Goals and pain points that drove our selection in the first place.

This makes our results transparent and open to validation.

4.2 SWSi Business Needs and Pain Points

Throughout our meetings, workshops and focus sessions that were carried out during this engagement Enosys has identified a number of business needs and pain points, this next section works to express the business needs and pain points we have identified as questions in need of an answer. The items are prioritised as follows:

1. How does SWSi improve business agility in response to *Smart and Skilled* through a more flexible IT environment?

2. Do IT projects fail to deliver what they promised — and if so, why?
   a. Is IT standing in the way of executing the business strategy?
   b. Is the SWSi business providing adequate direction to ICT Services?
3. How critical is IT to sustaining the enterprise? What does SWSi do if it's not available?
4. What concrete vital primary business processes are dependent upon IT?
5. How much of the IT effort goes to 'fighting fires' rather than enabling business improvements?
6. Are sufficient IT resources and infrastructure available to meet the required enterprise strategic objectives?
7. How does SWSi get value from the use of IT? Are end users satisfied with the quality of the IT service?
8. How should SWSi manage the performance of IT?
9. How does SWSi best build and structure the IT department?
10. Does SWSi address all IT related risks?
11. Does SWSi run an efficient and resilient IT operation?
12. How can SWSi control the cost of IT? How can IT resources be used in the most efficient and effective manner? What are the most efficient and effective sourcing options?
13. Does SWSi have enough people for IT? How should people's skills be developed and maintained, and how should their performance be managed?
14. How dependent is SWSi on external providers? How well are outsourcing agreements being managed? How does SWSi maintain assurance and governance over external providers?

4.3 SWSi Enterprise Goals

We have mapped these needs and pain points across the seventeen CobiT 5 standardised Enterprise Goals. The enterprise goals are presented in what we believe is the appropriate priority order below. *We envisage that the top five enterprise goals will be the focus of effort in the short to medium term as resolving issues in these areas will enable the fulfilment of other enterprise goals in due course.* The remaining enterprise goals will need to be addressed in due course according to their priority going forward.

Enterprise Goals:

1. Agile responses to changing business environment
2. Business service availability and continuity
3. Skilled and motivated people
4. Optimisation of service delivery costs
5. Operational and staff productivity
6. Product and business innovation culture
7. Customer oriented culture
8. The need for a portfolio of competitive products and services
9. Optimisation of business process costs
10. Managed Business change programmes
11. Achieving stakeholder value for business investments
12. Optimisation of business process functionality
13. Managed business risk and safeguarding of assets
14. Information based strategic decision making
15. Compliance with internal policies

16. Compliance with external laws and regulations
17. Financial Transparency

These five top enterprise goals map back to a balanced score card approach as follows:

Customer Dimension

- Agile responses to business change
- Business service continuity and availability
- Optimisation of service delivery costs

Internal Dimension

- Operational and staff productivity
- Learning and Growth Dimension

Financial Dimension

- The financial dimension is not a focus at this time

Learning & Growth Dimension

- Skilled and motivated people

4.4 Mapping Enterprise Goals to IT Goals

In the section below we will map our Selected Enterprise Goals to the relevant IT goals. This will enable us then to identify the specific IT processes that impact the IT goal, and thus to evaluate IT's capability to meet the precise IT goals which most impact the enterprise goals.

[We apply CobiT 5 coding to uniquely identify each element and allow traceability back to the CobiT 5 model]

In the paragraphs that follow we have used (P) and (S) to identify Primary and Secondary goals. Primary goals must be attended to as a matter of priority, but secondary goals can be viewed as a lower priority in the short term.

The mapping of Enterprise Goals to IT Goals is a step towards identifying specific business processes that drive success or failure of the overall Business Strategy and provides validation and traceability at each step back to the pain points and needs of the enterprise.

EG08 - Agile responses to business change

This enterprise goal maps to the following primary CobiT 5 IT Goals:

- ITG01 – Alignment of IT and Business Strategy – Primary Goal (P)
- ITG03 – Commitment of executive management to making IT related decisions – Secondary Goal (S)
- ITG04 – Managed IT-related business risk (S)
- ITG05 – Realised benefits form IT-enabled investments and services portfolio (S)
- ITG07 – Delivery of IT Services in line with business requirements (P)
- ITG09 – IT Agility (P)

- ITG11 – Optimisation of IT assets, resources and capabilities (S)
- ITG12 – Enablement and support of business processes by integrating applications and technology into business processes (S)
- ITG16 – Competent and motivated business and IT personnel (S)
- ITG17 – Knowledge, expertise and initiatives for business innovation (P)

EG07 - Business service continuity and availability

This enterprise goal maps to the following CobiT 5 IT Goals:

- ITG01 – Alignment of IT and Business Strategy – Primary Goal (S)
- ITG04 – Managed IT-related business risk (P)
- ITG07 – Delivery of IT Services in line with business requirements (S)
- ITG08 – Adequate use of applications, information and technology solutions (S)
- ITG10 – Security of information, processing infrastructure and applications (P)
- ITG14 – Availability of reliable and useful information for decision-making (P)

EG 10 - Optimisation of service delivery costs

This enterprise goal maps to the following CobiT 5 IT Goals:

- ITG01 – Alignment of IT and Business Strategy – Primary Goal (S)
- ITG04 – Managed IT-related business risk (P)
- ITG05 – Realised benefits form IT-enabled investments and services portfolio (S)
- ITG06 – Transparency of IT costs, benefits and risk (P)
- ITG08 – Adequate use of applications, information and technology solutions (S)
- ITG11 – Optimisation of IT assets, resources and capabilities (P)
- ITG12 – Enablement and support of business processes by integrating applications and technology into business processes (S)
- ITG13 – Delivery of programmes delivering benefits, on time, on budget, and meeting requirements and quality standards (S)

EG 14 - Operational and staff productivity

This enterprise goal maps to the following CobiT 5 IT Goals:

- ITG05 – Realised benefits form IT-enabled investments and services portfolio (S)
- ITG08 – Adequate use of applications, information and technology solutions (P)
- ITG09 – IT Agility (S)
- ITG16 – Competent and motivated business and IT personnel (P)
- ITG17 – Knowledge, expertise and initiatives for business innovation (S)

EG16 - Skilled and motivated people

This enterprise goal maps to the following CobiT 5 IT Goals:

- ITG01 – Alignment of IT and Business Strategy – Primary Goal (S)
- ITG03 – Commitment of executive management to making IT related decisions (S)
- ITG04 – Managed IT-related business risk (S)
- ITG07 – Delivery of IT Services in line with business requirements (S)
  ITG08 – Adequate use of applications, information and technology solutions (S)
- ITG09 – IT Agility (S)
- ITG16 – Competent and motivated business and IT personnel (P)

• ITG17 – Knowledge, expertise and initiatives for business innovation (S)

Having identified the IT related goals relevant to achieving overall enterprise goals, we can now map the individual IT processes to those IT goals, and assess the capability of IT to deliver those processes and thus highlight any shortfalls or gaps in capability.

4.5 Mapping IT Goals to IT Processes

In the following section we will map the selected Primary IT goals to the specific governance, management and monitoring processes that enable them. From that we can then assess IT's capability across the relevant process and suggest improvements and training. At this point we will not address secondary IT goals.

The section below shows which governance, management and monitoring processes pertain to which IT goals.

ITG01 – Alignment of IT and Business Strategy – Primary Goal (P)

Governance Processes:

- EDM01 – Ensure Governance Framework Setting and Maintenance
- EDM02 - Ensure Benefits Delivery

Management Processes:

- APO01 - Manage the IT Framework
- APO02 - Manage IT Strategy
- APO03 - Manage Enterprise Architecture
- APO05 - Manage the Services Portfolio
- APO07 - Manage Human Resources
- APO08 - Manage Relationships
- BAI01 - Manage Programmes and Projects
- BAI02 - Manage Requirements Definition

ITG04 – Managed IT-related business risk (P)

Governance Processes:

- EDM03 – Ensure Risk Optimisation

Management Processes:

- APO10 – Manage Suppliers
- APO12 – Manage Risk
- APO13 – Manage Security
- BAI01 – Manage Programmes and Projects
- BAI06 – Manage Changes
- DSS01 – Manage Operations
- DSS02 – Manage Service Requests and Incidents
- DSS03 – Manage Problems
- DSS04 – Manage Continuity
- DSS05 – Manage Security Services
- DSS06 – Manage Business Process Controls

Monitoring Processes:

- MEA01 – Monitor Evaluate and Assess Performance and Conformance
- MEA02 – Monitor Evaluate and Assess the system of internal control
- MEA03 – Monitor Evaluate and Assess Compliance with External Requirements

ITG06 – Transparency of IT costs, benefits and risk (P)

Governance Processes:

- EDM02 - Ensure Benefits Delivery
- EDM03 – Ensure Risk Optimisation
- EDM05 – Ensure Stakeholder Transparency

Management Processes:

- APO06 – Manage Budget and Costs
- APO12 – Manage Risk
- APO13 – Manage Security
- BAI09 – Manage Assets

ITG07 – Delivery of IT Services in line with business requirements (P)

Governance Processes:

- EDM01 – Ensure Governance Framework Setting and Maintenance
- EDM02 - Ensure Benefits Delivery
- EDM05 – Ensure Stakeholder Transparency

Management Processes:

- APO02 - Manage IT Strategy
- APO08 - Manage Relationships
- APO09 – Manage Service Agreements
- APO10 – Manage Suppliers
- APO11 – Manage Quality
- BAI02 - Manage Requirements Definition
- BAI03 - Manage Solutions Identification and Build
- BAI04 - Manage Availability and Capacity
- BAI06 – Manage Changes
- DSS01 – Manage Operations
- DSS02 – Manage Service Requests and Incidents
- DSS03 – Manage Problems
- DSS04 – Manage Continuity
- DSS06 – Manage Business Process Controls

Monitoring Processes:

- MEA01 – Monitor Evaluate and Assess Performance and Conformance

ITG08 – Adequate use of applications, information and technology solutions (P)

Management Processes:

- APO04 - Manage Innovation
- BAI05 - Manage Organisational Change Enablement

- BAI07 - Manage Change Acceptance and Transitioning

ITG09 – IT Agility (P)

Governance Processes:

- EDM04 – Ensure Resource Optimisation

Management Processes:

- APO01 - Manage the IT Framework
- APO03 - Manage Enterprise Architecture
- APO04 - Manage Innovation
- APO10 – Manage Suppliers
- BAI08 – Manage Knowledge

ITG10 – Security of information, processing infrastructure and applications (P)

Governance Processes:

- EDM03 – Ensure Risk Optimisation

Management Processes:

- APO12 – Manage Risk
- APO13 – Manage Security
- BAI06 – Manage Changes
- DSS05 – Manage Security Services

ITG11 – Optimisation of IT assets, resources and capabilities (P)

Governance Processes:

- EDM03 – Ensure Resource Optimisation

Management Processes:

- APO01 - Manage the IT Framework
- APO03 - Manage Enterprise Architecture
- APO04 - Manage Innovation
- APO07 - Manage Human Resources
- BAI04 - Manage Availability and Capacity
- BAI09 – Manage Assets
- BAI10 – Manage Configuration
- DSS01 – Manage Operations
- DSS03 – Manage Problems

Monitoring Processes:

- MEA01 – Monitor Evaluate and Assess Performance and Conformance

ITG14 – Availability of reliable and useful information for decision-making (P)

Management Processes:

- APO09 – Manage Service Agreements
- APO13 – Manage Security

- BAI04 - Manage Availability and Capacity
- BAI10 – Manage Configuration
- DSS03 – Manage Problems
- DSS04 – Manage Continuity

ITG16 – Competent and motivated business and IT personnel (P)

Governance Processes:

- EDM03 – Ensure Resource Optimisation

Management Processes:

- APO01 - Manage the IT Framework
- APO07 - Manage Human Resources

ITG17 – Knowledge, expertise and initiatives for business innovation (P)

Governance Processes:

- EDM02 - Ensure Benefits Delivery

Management Processes:

- APO01 - Manage the IT Framework
- APO02 - Manage IT Strategy
- APO04 - Manage Innovation
- APO07 - Manage Human Resources
- APO08 - Manage Relationships
- BAI05 - Manage Organisational Change Enablement
- BAI08 – Manage Knowledge

4.6 Business Process Assessment of SWSI

4.6.1 Consolidated Business Processes

Below is the consolidated list of Business Processes identified by the CobiT 5 process to this point.

Governance Processes

- EDM01 – Ensure Governance Framework Setting and Maintenance
- EDM02 - Ensure Benefits Delivery
- EDM03 – Ensure Risk Optimisation
- EDM04 – Ensure Resource Optimisation
- EDM05 – Ensure Stakeholder Transparency

Management Processes

- APO01 - Manage the IT Framework
- APO02 - Manage IT Strategy
- APO03 - Manage Enterprise Architecture
- APO04 - Manage Innovation
- APO05 - Manage the Services Portfolio

- APO06 – Manage Budget and Costs
- APO07 - Manage Human Resources
- APO08 - Manage Relationships
- APO09 – Manage Service Agreements
- APO10 – Manage Suppliers
- APO11 – Manage Quality
- APO12 – Manage Risk
- APO13 – Manage Security
- BAI01 – Manage Programmes and Projects
- BAI02 - Manage Requirements Definition
- BAI03 - Manage Solutions Identification and Build
- BAI04 - Manage Availability and Capacity
- BAI05 - Manage Organisational Change Enablement
- BAI06 – Manage Changes
- BAI07 - Manage Change Acceptance and Transitioning
- BAI08 – Manage Knowledge
- BAI09 – Manage Assets
- BAI10 – Manage Configuration
- DSS01 – Manage Operations
- DSS02 – Manage Service Requests and Incidents
- DSS03 – Manage Problems
- DSS04 – Manage Continuity
- DSS05 – Manage Security Services
- DSS06 – Manage Business Process Controls

Monitoring Processes

- MEA01 – Monitor Evaluate and Assess Performance and Conformance
- MEA02 – Monitor Evaluate and Assess the system of internal control
- MEA03 – Monitor Evaluate and Assess Compliance with External Requirements

In principle, all of these processes should be assessed to understand the level of capability with which SWSi delivers each process. However, given that this may be the first time that a CobiT 5 based assessment has been carried out at SWSi, we recommend that the range of possible issues identified be seen as a simple baseline from which further work can be launched, and that the immediate focus should be on a prioritised list of business processes.

We further recommend that in the short term we focus on the management processes rather than the corporate governance and monitoring processes as it is likely that the management area will return greatest immediate value.

A.6.2 Prioritised Subset of Processes for Assessment of SWSi

We have prioritised the below subset of CobiT business processes for capability review as follows:

Assign, Plan and Organise

- APO01 - Manage the IT Framework
- APO02 - Manage IT Strategy
- APO03 - Manage Enterprise Architecture
- APO05 - Manage the Services Portfolio
- APO12 – Manage Risk

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Build, Acquire and Implement
- **BAI01 – Manage Programmes and Projects**
- **BAI04 - Manage Availability and Capacity**

We have prioritised seven business processes. Of these, five are in the Assign, Plan and Organise phase, where strategy and direction are set down, while the remaining two are in the Build, Acquire and Implement phase where IT systems are established and rolled out. Initially we have re-prioritised the Deliver, Service and Support phase where ongoing operations are managed and user support delivered as improvements in this area are somewhat predicated upon improvements in earlier phases.

We see greater potential return in establishing basic direction and frameworks in preparation for further work, while ensuring that IT project management and availability and capacity receive some management focus.

4.6.3 CobiT 5 Capability Levels

In this section we will assess each process against the CobiT 5 Process Capability model. The levels of capability defined in this model are:

0 Incomplete Process – The process has not been implemented or fails to achieve its purpose

1 Performed Process – The implemented process achieves its purpose

2 Managed Process – The process is planned, monitored and adjusted and its outputs controlled

3 Established Process – The process itself is implemented using a defined process

4 Predictable Process – The process operates within defined limits to achieve its purpose

5 Optimising Process – The process continually improves to meet current and projected goals

The optimum level of capability required of a process is highly dependent upon the needs of the organisation, for instance a business process which is of no strategic value cannot justify the expenditure necessary to develop it to the 'Optimising' level. Likewise a process upon which the whole success of the enterprise depends must be developed to a high level of capability.

4.6.4 APO01 - Manage the IT Framework

The purpose of this process is to provide a consistent management approach to enable enterprise governance directions to be set for management processes as a whole, organisational structures, roles and responsibilities, reliable and repeatable activities, and skills and competencies.

Underlying each process is a number of key management practices by which the process operates.

Key Management Practices:

APO01.01 Define the Organisational Structure.

APO01.02 Establish Roles and Responsibilities.

APO01.03 Maintain the Management System.

APO01.04 Communicate Management Objectives and Direction.

APO01.05 Optimise the placement of the IT function.

APO01.06 Define information (data) and system ownership.

APO01.07 Manage the continual improvement of processes.

APO01.08 Maintain compliance with policies and procedures.

We assess the capability of this process as **Level 1 – Performed.** The process exists but is not strongly managed, planned, monitored or adjusted. Once the parameters of the process are set they are not addressed again until some pressing need arises to bring the process to management attention.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO01 Manage the IT Management Framework			●	●		
Current Capability Level ●						
Within 1 Year ●						
Within 2 years ●						

4.6.5 APO02 - Manage IT Strategy

The purpose of this process is to align strategic IT plans with business objectives. Clearly communicate the objectives and associated accountabilities so they are understood by all, with the IT strategic options identified, structured and integrated with the business plans.

Key Management Practices:

APO02.01 Understand enterprise direction

APO02.02 Assess the current environment, capabilities and performance.

We assess the capability of this process as **Level 0 – Incomplete.** Parts of the process exist but it is not fully implemented, and there is little evidence of any systematic IT strategy. IT projects are not always closely aligned to Business Strategy or needs.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities as understood now, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO02 – Manage IT Strategy			●	●		
Current Capability Level ●						
Within 1 Year ●						
Within 2 years ●						

4.6.6 APO03 - Manage Enterprise Architecture

The purpose of this process is to represent the different building blocks that make up the enterprise and to identify their inter-relationships as well as the principles guiding their design and evolution over time, enabling a standard, responsive and efficient delivery of operational and strategic objectives.

Key Management Practices:

APO03.01 Develop the Enterprise Architecture Vision

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APO03.02 Define the reference architecture

We assess the capability of this process as **Level 0 – Incomplete**. Some architectural components exist but there is no unified Architectural Vision and there is no defined Reference Architecture.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO03 – Manage Enterprise Architecture			●	●		
Current Capability Level						

4.6.7 APO05 – Manage the Programme and Services Portfolio

The purpose of this process is to optimise the performance of the overall portfolio of programmes and services in response to changing enterprise priorities and demands.

Key Management Practices:

APO05.01 Establish the target investment mix

APO05.02 Determine the availability and sources of funds

APO05.03 Evaluate and select programmes and projects to fund

APO05.04 Monitor, optimise and report on investment portfolio performance

APO05.05 Maintain portfolios

APO05.06 Manage Benefits Achievement

We assess the capability of this process as **Level 0 – Incomplete**. Some portfolio artefacts exist and some programme and project management processes exist, but there is no portfolio committee, framework or process.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities as understood now, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO05 – Manage the Programme and Services Portfolio			●	●		
Current Capability Level						

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4.5.8 APO12 – Manage Risk

The purpose of this process is to integrate the management of IT-related enterprise risk with overall Enterprise Risk Management (ERM), and balance the costs and benefits of managing IT-related enterprise risk.

Key Management Practices:

APO12.01 Collect Risk data

APO12.02 Analyse Risk

APO12.03 Maintain a risk profile

APO12.04 Articulate risk

APO12.05 Define a Risk Management action portfolio

APO12.06 Respond to risk

We assess the capability of this process as **Level 2 – Managed**. The process is planned, monitored, and adjusted and its outputs are appropriately established, controlled and maintained.

That said, the Risk Management process is highly centralised and is performed mainly by the business with input from IT. It is important to distribute the Risk Management process throughout the organisation, across IT and all other business units so that centralised Risk Management becomes enterprise Risk Management.

We recommend that over the next year SWSi develop the process at least to level 3 'Established' and that, based upon current priorities as understood now, SWSi should aim to develop the process to level 4 – 'Predictable' within three years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO12 – Manage Risk						
Current Capability Level						

4.5.9 BAI01 – Manage Programmes and Projects

The purpose of this process is to realise business benefits and reduce the risk of unexpected delays, costs and value erosion by improving communications to and involvement of businesses and end users, ensuring the value and quality of project deliverables and maximising their contribution to the investment and services portfolio.

Key Management Practices:

BAI01.01 Maintain a standard approach for programme and project management

BAI01.02 Initiate a programme

BAI01.03 Manage a stakeholder engagement

BAI01.04 Develop and maintain the programme plan

BAI01.05 Launch and execute the programme

BAI01.06 Monitor, control and report on the programme outcomes

BAI01.07 Start up and initiate projects within a programme

BAI01.08 Plan projects

BAI01.09 Manage programme and project quality

BAI01.10 Manage programme and project risk

BAI01.11 Monitor and control projects

BAI01.12 Manage project resources and work packages

BAI01.13 Close a project or iteration

AI01.14 Close a programme

We assess the capability of this process as **Level 0 – Incomplete**. Some programme and project management concepts are in use and some internal IT projects are initiated however the management, methodology and execution of projects do not constitute an achieved process according to the metric that CobiT 5 applies.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities, SWSi should aim to develop the process to level 3 – 'Established' within two years.

0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
		●	●		

4.6.10 BAI04 - Manage Availability and Capacity

The purpose of this process is to maintain service availability, efficient management of resources, and optimisation of system performance through prediction of future performance and capacity requirements.

Key Management Practices:

BAI104.01 Assess current availability, performance and capacity and create a baseline.

BAI04.02 Assess business impact

BAI04.03 Plan for new or changed service requirements

BAI04.04 Monitor and review availability and capacity

BAI04.05 Investigate and address availability, performance and capacity issues.

We assess the capability of this process as **Level 0 – Incomplete**. The process exists but is not strongly managed, planned, monitored or adjusted. Reported outages in key systems over recent months suggest that the process is not functioning well.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities, SWSi should aim to develop the process to level 4 – 'Predictable' within two years.

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	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
BAI04 – Manage Availability and Capacity						
Current Capability Level						

4.7 Summary Heat Map

The heat map below is a guide to our assessment of the capability level of each ICT process area. These process have been selected because they have been identified and prioritised as those requiring the most urgent attention. We recommend workshopping this data with the ICT Services team to develop a more detailed and agreed upon assessment.

Subset of CobiT Processes Assessed	Processes Complete?	Broad Awareness?	Policies In place?	Technology In place?	Skills?	Responsibility Understood?	Goals Aligned?
Assign, Plan & Organise							
APO01 - Manage the IT Framework							
APO02 - Manage IT Strategy							
APO03 - Manage Enterprise Architecture							
APO05 - Manage the Services Portfolio							
APO12 – Manage Risk							
Build, Acquire and Implement							
BAI01 – Manage Programmes and Projects							
BAI04 - Manage Availability and Capacity							

Colour Key:

RED – indicates an area requiring considerable urgent attention

— indicates an area requiring serious attention but less urgently than RED items

— Yellow is nearer to GREEN and indicates an area requiring some attention soon

GREEN – indicates that this area is functioning acceptably in the given circumstances

5 Recommendations

Based on the proposed Target State and the Gap Analysis, a series of recommendation have been developed to assist SWSi transition to the Target State. These recommendations have been grouped into the following categories:

- Governance and Execution
- Aligning IT with the Business
- Financial Agility and Efficiency
- IT Resiliency

5.1 Recommendation Principles

All Recommendations are intended to be:

- Appropriate/Proportional.
    - Recommendations should not seek to place unnecessary administrative burden on SWSi.
- Achievable.
- Consider the future operating model under Smart and Skilled
    - Match costs to revenues.
    - Appetite for Opex rather than Capex.
    - Variable/scalable depending on enrolments.
- Place a priority on agility and execution
- Allow SWSi speed-to-market to capture emerging market opportunities with expediency.

5.2 Governance and Execution

Recommendation 1 – Implement an IT Governance Framework based on CobiT 5

Ensuring a **Governance Framework** is in place at SWSi and that the correct settings have been determined and are being maintained are crucial first steps in ensuring that governance permeates down from the Board and executive levels throughout the organisation.

Putting in place good governance within the ICT area is an essential first step to ensuring that ICT **delivers the expected benefits**. Strategic benefits can only be delivered if the proposed investment aligns to strategic business goals, it must be clear how achievement of these goals will be supported or enhanced, and it must be clear what other enabling investments are required, specifically how this system or application will deliver on the organisation's goals, and over what timeframe, and in what form the expected benefits will accrue – how will they be monitored and measured etc.

SWSi does not have an ICT **Management Framework** in itself. That's not to say that ICT is unmanaged but rather that there is no documented framework for how this is done, who does what, or what the organisation expects from ICT. These matters are communicated to ICT, and the ICT manager is broadly

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aware of his responsibilities. However Enosys recommends a more formal yet streamlined, framework be applied in addition to the Governance Framework.

- SWSi should form a business oriented **ICT Steering Committee** empowered by the Board

- SWSi should form an Enterprise Architecture Group that is likewise empowered by the Board.

- SWSi should form establish mechanisms to ensure Benefits Delivery of ICT Investment.

- SWSi should communicate Management Aims and Direction through monthly meeting between the (Acting) Associate Director, the (Acting) ICT Services Manager and Team Coordinators.

Expected Benefits

- IT services are aligned and deliver business outcomes.

- SWSi business has greater executive control over IT investment.

Migration Initiatives or Projects

- Implement IT Governance Committee via the proposed IT Steering Group.

    o Define Governance Charter.

    o Implement Governance Framework Setting & Maintenance.

    o Appoint Enterprise Architecture Sub-Committee.

    o Execute IT Governance.

- Communicate Management Aims and Direction

Recommendation 2 - Implement Benefits Management and Value Realisation at the IT Steering Group

While both Benefits Management and Value Realisation are ultimately necessary, in SWSi's context the most immediate need is to focus on Benefits Management and to ensure that good decisions are made in the first place. It will be necessary to address Value Realisation framework and processes in including developing appropriate frameworks and processes and embedding these in the purchasing decision process, and in ongoing governance reporting.

Migration Initiatives or Projects

- SWSi should establish mechanisms to ensure Benefits Delivery of ICT Investment.

Recommendation 3 - Define a Strategic IT Plan

Enosys has not seen a specific **ICT Strategic Plan**. That said, Enosys is aware that SWSi is currently developing last year's strategic plan, however this will likely be out of date at the time of release It will be necessary for SWSi to develop an ICT strategy and plan over the next few months in order to be prepared for the Smart and Skilled changes arriving next year.

Whilst the IT Strategic Plan cannot be completed until SWSi Business Strategy is available to guide it, the general shape of the strategy can be drawn out ahead of time as to expedite the overall process.

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Expected Benefits

- IT Strategy will be able to closely follow SWSi Business Strategy

- IT goals will match Enterprise goals

- =required level

Migration Initiatives or Projects

- Define IT Strategic Plan to 2018

Recommendation 4 - Implement an IT Enterprise Architecture Sub-Committee

As part of developing a strategic/governance approach it will be necessary to **Manage Enterprise Architecture**. At present there is no formal, planned Enterprise Architecture at SWSi. The architecture that has grown organically within or perhaps beneath, the organisation, has emerged of its own volition rather than having been planned. Parts have been planned of course, but the architecture of the enterprise as a whole is largely coincidental.

There is an urgent need to **document and diagram the current enterprise architecture** at a physical and a logical level. This is a technical architecture task and requires the services of an experienced enterprise architect to guide, advise, and undertake the bulk of the documentation and diagrammatic work. This is something that can be delivered once, and then updated periodically should the need arise.

The second aspect of the task is **Architectural Governance**, and this is an ongoing responsibility of ICT which will require those skills to be available as a matter of course within the ICT community. SWSi needs an Architecture Council or similar Committee that meets regularly and often to handle day-to-day issues that arise.

Implementing the Risk Management framework

Expected Benefits

- The Architecture Committee will standardise IT across SWSi leading to lower costs, increased efficiency and higher availability

- The Architecture Committee will evaluate and oversee any new technology additions to the ICT environment so that any new additions work well with the current environment and are of strategic value to SWSi.

Migration Initiatives or Projects

- Implement IT Architecture Sub-Committee

- Develop a Technology Road Map

Recommendation 5 - Implement Risk Management compliant with the ISO 31000 standard

Risk Management is addressed comprehensively at the Board and executive levels of SWSi, however we see a gap in driving Risk Management down into the ICT area. We recommend the development, based on the ISO 31000 standard, of an ICT focussed Risk Management framework and processes to hook into the already effective corporate Risk Management process. Enosys also sees gaps in ICT Disaster Recovery, Business Continuity Planning and potentially in ICT Crisis Management.

We recommend that Risk Management consistent with ISO 31000, be implemented across the ICT function. It will need to be refined and made directly applicable to the specifics of SWSi. There is a significant organisational change management aspect to this effort – it is not just a technical exercise for risk professionals.

Implementing the Risk Management framework will need to ensure that it does not create a complex and unnecessary burden on SWSi and ICT services in particular.

One option that could be explored is that the corporate risk team be involved with risks identified by management and addressed as part of the ICT Steering Group.

Expected Benefits

- All significant enterprise risk are managed
- SWSi undertakes the appropriate level of risk, matching its risk appetite and ensuring that uncertainty is constantly reviewed and planned for.

Migration Initiatives or Projects

- SWSi should implement the Risk Management Framework
- SWSi should carry out baseline ICT risk review to set the basis for ongoing risk review cycles.
- SWSi should address the gaps identified in the GAP Analysis using CobiT 5, that constitute risks to the business and need to be managed as such.
- SWSi should embed Risk Management in business and ICT processes and culture.

5.3 Aligning IT with the Business

Recommendation 6 – Appoint an ICT Services Manager

Currently the ICT Services Manager is in an acting role with limited scope and empowerment to restructure ICT Services to transition to one that is more closely aligned with the future SWSi business model. It is strongly recommended that SWSi appoints an IT Services Manager that can:

- Support the proposed Governance Function by sitting on the proposed IT Steering Group to assist with the shaping, defining and approval of IT initiatives and investments, including their benefits realisation; and
- Lead Management function by delivering ICT services consistently and reliably and improve SWSi's ability to seize market opportunities in innovative educational initiatives that will drive increased revenue under Smart and Skilled.

As such this is seen a senior role within SWSi and will require the current acting ICT Services Manager to be given increasing scope and capabilities, as well as receive additional training and support.

Migration Initiatives or Projects

- Appoint ICT Services Manager

Recommendation 7 – Address Skills and Capability across ICT Services

SWSi has not completed a formal **Skills and Capability Assessment** for ICT staff. We propose that SWSi

carries out a self-assessment program for ICT, based upon the Skills Framework for the Information Age (SFIA) framework as adapted by the NSW Public Service Commission. This will enable the ICT manager and SWSi more generally, to gain a formal view of the skills and capabilities of the ICT team which will enable some planning and staff development in relation to any gap that may be revealed between the skills of the current team and the skills that will be required under 'Smart and Skilled'. This approach will establish a baseline which could then be further formalised with the services of an accredited SFIA consulting firm. We would be happy to introduce such a partner should the need arise.

We recommend that SWSi addresses skills and capability in the following steps:

- Step 1 – Undertake an Audit of Current Skills within ICT Services against current roles.
- Step 2 – Set aside some funding for a short-term skills improvement initiative in 2015.
- Step 3 – Undertake a Skills and Competency Gap Analysis against a future ICT Services organisational structure that will deliver to the IT Strategy.
- Step 4 – Transform ICT Services to Target State Structure.

Step 1 – ICT Services Skills Audit

Whilst it is more common to move to undertake a skills gap analysis against a future ICT Services organisation structure in the short term, this is not currently possible given both the SWSi Business Strategy is still being formed and there are also structural changes expected at the TAFE NW level.

Initially, SWSi should undertake and complete an ICT Skills Audit against the current structure and operation. The purpose of the audit is to highlight the following:

- To what extent ICT Services staff has the skills and experience to be able to undertake their current roles.
- Where ICT Services staff are currently working in roles that do not match their competency (skills and certifications).
- Some immediate skills development and training initiatives that will lead to improved provision of services for some of these roles.
- Provide a baseline for a future "Gap Analysis".

Step 2 – Fund Short-Term Skills Improvement in 2015

Once the Skills Audit has been completed, ICT Services should look to improve the skills and certifications for staff who are in a role where undertaking some training will lead to an immediate or short-term improvement in the delivery of services. Pending the completion of SWSi IT Strategy, any spending should be directed to areas or functions where it is expected that those roles will remain important to SWSi and where the individuals in those roles are suited to them.

Importantly, a proportion of this investment should be directed towards frameworks and methodologies for IT Service Management and IT Governance (specifically ITILv3 and CobiT5) and may potentially be fast-tracked for ICT Services Managers and Coordinators.

Step 3 – Undertake a Future State Skills Gap Analysis

Once the proposed SWSi IT Strategy has been completed ICT Services will need to migrate to an organisational structure that will be able to execute and deliver the strategy. A Skills Gap Analysis will need to be undertaken that maps current staff, roles and competencies against those of a future state. This Gap Analysis will then highlight where skills require further development and another development plan shall be required.

Step 4 – Transform ICT Services to Target State Structure

Step 4 is the final step that actually transforms ICT Services from its current operational focus to an organisation structure that will support the proposed Target State through a focus on service delivery (as per *Section 3.2.3 Service Delivery Focus*).

Once the Future-State Skills Gap Analysis has been completed, the IT Steering Group shall be able to

* Finalise a Target State Organisational Structure (See also Figure 5 - Potential SWSi Governance Structure based on CobiT 5 for a draft potential structure that implements some of the key governance and management functions.

* Put into place a roadmap to transition from the current org-structure to the target one.

Expected Benefits

* Will provides SWSi the starting point to move away from a temporary structure with staff filling temporary positions to one that is in-line with future operating model.

* Will assist SWSi realise immediate benefits and improvements in service delivery across all proposed recommendations.

Whilst benefits will accrue from each of these proposed steps, much of the expected benefits, including those of many of the other recommendations of the report will not be realised until SWSi has completed Step 4.

Migration Initiatives or Projects

* ICT Services Skills Audit.

* Skills and Certification Improvement Program 2015 (Dependency: **ICT Services Skills Audit**)

* ICT Services Staff Skills Gap Analysis (Dependency: **SWSi IT Strategy**).

* Transform to Target State Organisation Structure.

Recommendation 8 – Shift responsibility for IT Procurement to the IT Steering Group

All future ICT spending should be signed-off by IT Governance Committee or its delegate in-line with the IT Strategy, the Project Portfolio Management and the Service Delivery Management functions. This will ensure that those who are accountable for SWSi's business outcomes are the decision makers with respect to the procurement of IT Service Catalogue items, or components within proposed Service Catalogue Items.

Even if forecast funding remains unpredictable, where funding does become available and needs to be spent at short notice, it can be against a pre-agreed set of spending priorities enumerated by the IT Steering Group, rather than ICT Services attempting to predict what the Business' future ICT requirements may be as in the case at present.

Expected Benefits

* All procurement and expenditure on ICT services will be aligned to business/learning initiatives, projects or services defined by ICT services and signed-off by the IT Governance committee.

* All IT Procurement is tied to a known, stated objective or outcome with benefits realised.

Migration Initiatives or Projects

- Implement IT Steering Group
- Implement Architecture Sub-Committee
- Implement Project Portfolio Management
- Implement Service Portfolio Management

Recommendation 9 – Document a Requirements Definition for IT-Delivered Learning for the next three years.

For each faculty or course provided by SWSi, the proposed Definition Document should plot on a spectrum from 0% IT-delivered learning to 100% IT-delivered learning over the next three years. An example of this is shown below.

0% IT-Delivered	20% IT Delivered	40% IT-Delivered	60% IT-Delivered	80% IT-Delivered	100% IT-Delivered	Revenue / Enrolment Weighting

Figure 8 – Summary Matrix of IT-Delivered Learning Requirements

This needs to include some level of detail from the faculties regarding how their reliance on IT-delivery of learning services will change, giving the IT Steering Group Committee a de-facto list of candidate projects for consideration for additional investment and importantly, divestment.

If the relative importance of a particular course in terms of anticipated enrolments is also added to the Requirements Definition, then the IT Governance Committee will have a view towards prioritising candidate initiatives against the Project Portfolio Management function.

Importantly, this initiative needs to be owned by the SWSi business groups and faculties and delivered to the IT Steering Group to provide guidance and prioritisation in approving and managing investments in ICT Services.

Expected Benefits

- Will provides ICT Services and the IT Steering Group a mechanism for prioritising IT investment (and divestment) over the coming years, ensuring that IT investment is aligned to educational imperatives and Business Strategy.
- Will provides significant input for the development of the IT Strategy

Migration Initiatives or Projects

- Requirements Definition for IT-Delivered Learning (2016-2018)

Recommendation 10 – Agree what IT Services are Strategic vs Tactical

ICT Services is not large enough for it to sustainably provide all IT Services at an acceptable standard through internally-delivered means. Indeed, SWSi's use of third-party service providers for mature or

commoditised IT Services is below the industry average for similar organisations.

SWSi needs to look at the services provided by ICT services, decide on which ones provide a competitive advantage in the market and then, for the ones that are non-strategic consider alternative service delivery models that deliver the best service as an on-demand model at a competitive price.

Expected Benefits

* Will provide ICT Services a clear picture of what services it will continue to develop and deliver internally and which services, or components of services it will manage into the SWSi business through mature third-party offerings.

* Will provide input and guidance into the IT Strategy.

* Will provide input and guidance into the Technology Road Map

Migration Initiatives or Projects

* Enosys recommends a **Service Portfolio Management** meeting chaired by a portfolio manager on a monthly basis to manage the portfolio of ICT services. A formal portfolio of ICT services must be drawn up and agreed. Attendees at the meeting will include executive management, governance, architecture and potentially finance as required, and of course ICT.

* Enosys recommend Implement IT Steering Group

* Enosys recommend Implement Architecture Sub-Committee

Recommendation 11 - Transform ICT Services to a Service-focussed organisation through changed Roles and Responsibilities and Professional Development

ICT Services to transition from the current operational focus to one that is service focussed.

As part of this recommendation, roles and responsibilities

* Appoint a Senior ICT Services Manager
    * Sit on Governance board
    * Chair the Architecture group
    * Own Project Portfolio
    * Own Service Portfolio

* Appoint a Customer Services Manager to Manage Service Desk and major ITIL processes (Change, Problem, Incident, Capacity, Asset Lifecycle)
    * Embrace ITIL and CobiT
    * Training in ITIL and CobiT.

* Participate in industry networking groups including NSW Government groups and forums for information exchange around service management and service delivery. This shall prove vital for ICT Services leaders in being able to execute on the proposed transition by sharing experiences with other professionals who have or are undertaking a similar journey.

Migration Initiatives or Projects

* Appoint ICT Services Manager

- Appoint an experienced Customer Service Manager.

- Implement Architecture Sub-Committee

- Implement Project Portfolio Management

- Implement Service Portfolio Management

- Skills and Certification Improvement Program 2015

Recommendation 12 – Improve Service Delivery from the Service Desk

Enosys recommends that an experienced Service Desk manager be appointed.

Implement of of FAQ's document and user 'self-help' tools. Such implementations can lead to an immediate benefit and assist with cross-team collaboration and thus start enacting on basic ITIL processes such as SLA reporting, Change, Problem and Incident Management.

Migration Initiatives or Projects

- Appoint an experienced Customer Service Manager.

- Provide a Service Desk Activity Analysis report after 3 months to highlight the volume and profile of calls coming into the Service Desk

  o Map call volumes against key ICT Services.

  o Call volumes by top SWSi Users

  o The percentage of incoming calls related to user training vs actual faults, problems or incidents.

  o SWSi Users' use of self-help/FAQ information (eg SharePoint).

  o ICT Services' response to faults and incidents.

  o SLA performance and possible recommendations (including reviewing SLA's)

5.4 Financial Agility and Efficiency

Recommendation 13 – Review and reclassify IT Costs as variable where possible

One of the key Target State objectives of this report is for SWSi to be able to better manage ICT costs in the face of a changing, more competitive environment under *Smart and Skilled*. As part of the user focus groups, it was found that a large proportion of ICT costs are grouped into a single overhead which is then charged back to the faculties. Under Smart and Skilled, this practice is unsustainable. Faculties and business groups need to have complete transparency into what IT services are being provided to them and how much they are costing them. Additionally, IT services need to be catalogued and offered on-demand on a per-unit basis allowing business groups and faculties to increase and decrease their consumption of services in-line with increasing and decreasing student enrolments. (See *Figure 6 – Target vs Current State Profile of IT Costs*).

In order to facilitate the effective building, implementation and management of a user-centric, on-demand service catalogue for ICT Services, al ICT costs need to be broken-out from the current "overhead" and into components against the various service catalogue items or projects.

This would commence with a complete review of all IT costs with a view to shifting these from overheads to

variable costs that can be recovered against cost centres through defined, costed Service Catalogue items that are knowingly consumed by business users such as the faculties, marketing etc.

Expected Benefits

* SWSi will have greater transparency and understanding of the costs and overheads.

* Faculties will have a better understanding of what ICT costs are currently charged back to them as fixed overheads. They will consequently be in a better position to reassess a lot of these costs against their requirements.

* Will provide a significant opportunity for SWSi business units to reduce their spend on some IT services that they may not need and increase spend in those services that they do require.

* ICT Services will have comparisons or examples to become more commercial or outcome-focussed in the positioning of internally-delivered services.

* Improve the effectiveness of Service Portfolio management and Project Portfolio Management.

* Facilitates Benefits Management and Value Realisation of services and projects that are supported and funded by the IT Steering Group.

Migration Initiatives or Projects

* Review of ICT Costs

Recommendation 14 – Implement Timesheets for ICT Services staff

SWSi must evaluate how costs for all ICT Services human resources can be tied back to funded Service Catalogue items or projects funded by the IT Steering Group. As such a timesheeting system should be implemented in order to effectively account for the time and cost of ICT Services against each of the initiatives funded

All aspects of ICT services should be included in this initiative, examples include staff working full-time against a SWSi Website project. In this respect, timesheeting is useful as the cost associated with time to undertake systems administration activities needs to be separated from time against project-related activities which are funded separately.

Initiatives required to achieve this:

* Undertake a complete review of all IT assets and expenses including

    o Building and facilities costs attributable to ICT Services

    o IT assets including hardware and software

    o All 3rd party procurement

* Separate unit-based items currently classed as overheads (such as phones and desktop computers).

* Document, sign-off and implement Telephony Services as a unit-based Service Catalogue item.

* Document, sign-off and implement Desktop Services as a unit-based Service Catalogue item.

    o Base offering.

    o Enhanced offering with additional charge for onsite ITSO support.

Expected Benefits

* Provides ICT Services manager and IT Steering Group improved visibility into the investment in human resources which make up a significant portion of overall cost base for ICT Services.

* Increased accountability of each member of ICT Services team into the work they are undertaking on a daily basis.

* Facilitates allocating cost associated with time spent on certain projects or service administration to those initiatives that are funded by the IT Steering Group.

* Improved metrics for value realisation.

* Classify all ICT Services Human resources costs against Key ICT Services and Service Catalogue items

Migration Initiatives or Projects

* Implement a timesheeting solution for ICT Services staff.

Recommendation 15 – Benchmark ICT Investments against a range to alternatives to determine industry Best Practice

SWSi requires a **framework to manage ICT-enabled investment** programmes. The framework should encompass cost, benefits, prioritisation within budget, a formal budgeting process and management against the budget. Stakeholders must be consulted to identify and control the total costs and benefits within the context of the ICT strategic and tactical plans, and initiate corrective action where needed. This process fosters partnership between ICT and business stakeholders; enables the effective and efficient use of ICT resources; and provides transparency and accountability into the total cost of ownership, the realisation of business benefits and the return on investment of ICT-enabled investments.

Where possible, SWSi should benchmark all ICT spend and service delivery options to determine the best method of delivering IT services at the best price, a common misunderstanding of this process is to simply acquire a number of quotes prior to purchasing, this is not the correct method. Enosys believes that the correct process to determine the best method of delivering IT services at the best price means that where there is a requirement for a new IT Service or a review of an existing one, that the SWSI IT Steering Group dispassionately assesses several alternatives for the delivery of that service including:

* Internally by ICT Services;

* Externally by other NSW DEC agencies (ITD, TAFE NSW);

* Externally by other third-party providers; or

* A mix of the above.

The appropriate option can then be selected according to such factors as functional fit, technology risk, implementation risk, operational risk, commercial flexibility as well as price.

Expected Benefits

* Delivery options for ICT Services can be assessed by the IT Steering Group against a range of options to determine best-practice alternative(s).

* ICT Services will have comparisons or examples to become more commercial or outcome-focussed in the positioning of internally-delivered services.

Migration Initiatives or Projects

- Implement IT Steering Group
- Implement Architecture Sub-Committee
  - Develop Technology Road Map
- Document Service Catalogue
- Implement Project Portfolio Management
- Implement Service Portfolio Management

5.5 ICT Service Definition and Service Catalogue

Recommendation 18 - Implement Project Portfolio Management

The **management of programmes of work and individual projects** via project portfolio management is severely hampered by a lack of a formal 'Projects' group, or even a list of people earmarked to work on projects rather than exclusively BAU tasks. There is an opportunity to augment any such group with external consultant, contractors and specialists, but there needs to be a core capability within ICT that is not focussed exclusively on 'keeping the light on', but can (has the capabilities required to) deliver projects. We recommend the formation of such a capability, albeit in a manner and form that works for SWSi.

We propose that SWSi develop a simple but explicit management framework for ICT incorporating roles and responsibility (RACI) matrices. This will establish who is responsible and accountable for what, who is consulted, and who is informed concerning management of the Project Portfolio.

Expected Benefits

- More effective project governance and execution including the meeting deadlines, managing changes and project financial management.
- Improved value realisation from SWSi investments in IT.

Migration Initiatives or Projects

- Develop RACI matrix for Project Portfolio Management
- Implement Project Portfolio Management function
  - Transition existing projects into Project Portfolio

Recommendation 17 - Implement Service Portfolio Management and Document Service Catalogue for Key ICT services

In addition to managing relationships, both internally within SWSi and between SWSi and external bodies such as ITD and potentially TAFE NSW, it is becoming essential to improve the documentation and **management of Service Agreements.** Current levels of support, responsiveness to queries and change requests, and even the services provided are not adequate to satisfy SWSi ICT users (faculty and students). Given current user experience, in the absence of any initiatives on the part SWSi ICT and its partners, it is unlikely that current services and service levels will be adequate in a more competitive, agile

market.

We recommend that SWSi implement Service Portfolio Management function within the TAFE. The Service Portfolio would be owned by the ICT Services Manager, but with Service Owners for each of the key ICT services (eg Moodle) appointed from within the current operations teams.

Service Definition

* Initially, a Service Definition Brief for each of the key ICT services shall be documented, reviewed and approved by the IT Steering Group (who may delegate review and approval to specific SWSi business groups – eg Marketing for SWSi Website).

* The scope of these initial Service Definitions is to be concise with a focus on functional requirements and required service levels.

Service Catalogue

* Once the Service Definition brief has been documented and approved, a Service Catalogue Item (again, with a focus on capturing the most important details) shall be developed that interlocks with other important recommendations and initiatives including

    o *Impact on Technology Road Map* by the Architecture Sub-Committee

    o *Breakdown of costs and pricing* of the Service Catalogue item as part of the Review of ICT costs in conjunction with SWSi Finance.

    o *Service Scope and Deliverables* of the relevant operations team by the appointed Service Owner within ICT Services. (ie what ICT Services is delivering against the Service Definition).

    o *Skills and Capability Assessment* in-line with the proposed ICT Services Skills Audit with any gaps highlighted.

    o *Investment assessment* signed-off by the ICT Services Manager that includes technical and commercial details regarding the structure of the Service so that the IT Steering Group understands commercially the boundaries and constraints of the service including

        * The ability for faculties and business units to increase and decrease their consumption of the service.

        * Tiering of services, if applicable (Gold, Silver, Bronze).

        * Investment timeframes for components of the service.

        * Options and constraints that the SWSi business users may need to be aware of.

* The Draft Service Catalogue Item is then reviewed by the ICT Steering Group

    o Any risks are documented in the IT Risk Register and managed accordingly.

    o A decision is made on whether to:

        * Implement the Service Catalogue

        * Make any amendments

        * Delay or fast-track implementation according to priorities and resource constraints.

- If approved, the Service Catalogue Item is then handed to the ICT Services Manager
  - Service Catalogue Item is transitioned into the Service Portfolio
    - Service Desk Transition
    - Operational Transition to Service Owner and Operations Team(s)
  - Any proceeding funded projects are transitioned into the Project Portfolio
  - Transition to Architecture Sub-Committee

Expected Benefits

- More effective delivery of ICT services with greater expectation management of the SWSi business users.
- Greater ability for SWSi users to increase and decrease their consumption of IT services in line with increasing and decreasing student enrolments and revenue to SWSi under *Smart and Skilled*.
- Improved value realisation from SWSi investments in IT.
- Improved ability to manage the lifecycle of services in-line with the lifecycle of various courses.

Migration Initiatives or Projects

- Develop RACI matrix for Project Portfolio Management
- Implement Service Portfolio Management function
  - Document Service Definition for key ICT Services
  - Document Service Catalogue for key ICT Services

Recommendation 18 – Pilot Microsoft Office365 as a Service Catalogue Item

Desktop productivity software in the form of Microsoft Office can best be described as "commodity services". In piloting Office 365, SWSi can take an initial low-risk step in moving to a service model for the delivery of an IT service that is now mature, low-risk, and "user-pays." This also allows ICT Services resources to focus on more strategic services.

Microsoft Office365 is now a mature service that is experiencing rapid uptake by both commercial enterprises and government organisations around Australia.

As part of this Pilot, ICT Services should:

- Prepare a Project Definition complete with objectives for signoff by the IT Steering Group
- Select, for instance, 10 users from three representative business groups to run as a pilot group for a period of three months.
- Undertake a comparative analysis of the benefits and limitations of Office365 versus delivering desktop productivity software internally by ICT Services.
- Collect feedback from pilot users as to their experience in
- Prepare a short report for the IT Steering Group as to the results of the pilot with any recommendations.

Expected Benefits

- Allows SWSi a relatively simple way for ICT Services to divest itself of some of the burden in administering and maintaining a service that is not strategic to SWSi.

- Is an ideal initial way for SWSi and ICT Services to start migrating to commodity services delivered by more efficient 3rd-party organisations

- Is an ideal initial service to be defined and delivered as a true on-demand, user-pays Service Catalogue item in the short term.

Migration Initiatives or Projects

- Office 365 Pilot

Recommendation 19 - Pilot Desktop-as-a-Service as a Service Catalogue Item

In tandem with the Office 365 Pilot, ICT Services should similarly explore Desktop-as-a-Service as a means of reducing the administrative burden of delivering basic, commodity IT Services.

As part of this Pilot, ICT Services should:

- Prepare a project definition complete with objectives for signoff by the IT Steering Group

- Select, for instance, 10 users from three representative business groups to run as a pilot group for a period of three months.

- Undertake a comparative analysis of the benefits and limitations of Office365 versus delivering desktop productivity software internally by ICT Services.

- Collect feedback from pilot users of experiences.

- Prepare a short report for the IT Steering Group with the results of the pilot and with any recommendations.

Expected Benefits

- Evaluates the feasibility of ICT Services to divest itself of administering and maintaining a non-core service.

- Allows ICT Services to assess the efficiency of third party commodity service delivery

- Can be defined and delivered as a true on-demand, user-pays Service Catalogue item in the short term meaning that significant cost can be removed from current IT overhead or fixed costs.

Migration Initiatives or Projects

- Desktop-as-a-Service Pilot

Recommendation 20 - Define the Service for BYOD/Wireless/Student Experience

Furthermore, ICT Services should similarly explore Desktop-as-a-Service as a means of reducing the administrative burden of delivering basic, commodity IT Services.

As part of this Pilot, ICT Services should:

- Work with SWSi users via the IT Steering Group to define their requirements for BYOD/Wireless/Student Experience.

- Understand integration, if any, with other systems (eg SWSi website, SharePoint, Moodle)

- Workshop or test several options.

- Define a project including costs, timelines, dependencies and value realisation (ROI).

- Develop a draft Service Catalogue item as proposed in *Recommendation 17 - Implement Service Portfolio Management and Document Service Catalogue for Key ICT services*,

- Submit the above including a recommendation back to IT Steering Group for review.

Expected Benefits

- IT Steering Group and ICT Services use this as a means of implementing the proposed approach to IT governance.

- An important IT service is developed in consultation with and signoff by the business.

  o Appropriate expectations around functionality, service levels and return on investment (ROI) are known upfont.

  o Facilitates benefits management and value realisation.

- Avoids current tactical approach that may result in the delivery of sub-optimal solutions and some level of wasted investment.

- Provides SWSi with a service that considers and manages students' digital experience irrespective of whether they are off-campus, on-campus on a wired or wireless network.

Migration Initiatives or Projects

- Service Definition for BYOD/Wireless/Student Experience

5.6 IT Resiliency

Recommendation 21 - Implement High Capacity links between Bankstown and Granville Data Centres

It is assumed that ICT Services will consolidate most of the infrastructure supporting critical applications to 2 computer rooms at Bankstown and Granville. For ICT Services to be able to provide the appropriate level of infrastructure support to SWSi critical applications and to leverage the existing server, storage, and other investment at these 2 data centres, it is vital that sufficient communications links are provided from and between each of these locations.

Additionally, it provides an important component in allowing SWSi to provide basic Internet services without relying on the current Internet services provided via ITD (see *Recommendation 24 - Internet Service*)

Expected Benefits

- Enables the leveraging of existing investment in server, storage, and other equipment to provide site redundancy and high availability to key SWSi applications that are reflective of their importance to the business.

Migration Initiatives or Projects

- Document a short Interim Data Centre Architecture (pre-requisite).

* Implement High Capacity Carriage Services (Bankstown and Granville)

Recommendation 22 - Complete Data Centre Consolidation to Bankstown, Granville and Macquarie Fields

This is an existing project currently being undertaken by ICT Services. It is presented here for the purposes of prioritisation and context for dependent recommendations below.

Expected Benefits

* Implements site redundancy and high availability for key SWSi applications that are reflective of their importance to the business.

Migration Initiatives or Projects

* Document a short Interim Data Centre Architecture (pre-requisite).

* Implement High Capacity Carriage Services (pre-requisite).

* Implement Site Redundancy for Moodle

* Implement Site Redundancy for SWSi Website

* Implement Site Redundancy for SharePoint

Recommendation 23 - Complete Business Continuity and Disaster Recovery Planning for IT

A Business Continuity and Disaster Recovery (BC&DR) Plan (the Plan) was initiated in 2012. It has never been completed or implemented. It is recommended that the plan is reviewed and completed in congruence with several other recommendations to enable high availability of core systems at Granville and Bankstown.

The Plan shall be considered complete when:

* A Production DR test for all core systems including Moodle, SWSi Website, SharePoint and CRM has been executed; and

* The Plan is integrated into the SWSi overall Business Continuity Plan (managed by SWSi Corporate Strategy & Governance).

Expected Benefits

* Critical applications will have appropriate and proven recovery plans.

Migration Initiatives or Projects

* Document a short Interim Data Centre Architecture (pre-requisite)

* Review the Complete BC&DR Plan from 2012.

* Undertake a failover test for all key ICT Services including SWSi Website, Moodle, SharePoint and CRM.

*

Recommendation 24 – Implement Alternative Internet Service

One of the current issues of most importance to SWSi users is in accessing basic Internet services. This was raised as a critical issue by members from the Travel and Tourism faculty who found it difficult to conduct classes which require constant access to external travel reservation systems (such as Galileo and Amadeus)

Being able to use a fast Internet service is a basic yet critical requirement in the classroom today. SWSi should move to implement alternative Internet connectivity for at least the main campuses, with connectivity to ITD being maintained solely for accessing internal systems. This will not only mean that SWSi users will immediately experience improved productivity through faster connectivity, it will also remove the requirement to constantly re-authenticate with the ITD Internet proxy servers.

SWSi has already procured some Internet carriage services for some campuses. These, as well as the proposed larger carriage services at Bankstown and Granville can provide the platform to achieve this, however a network security design will need to be documented to ensure the most appropriate method of managing and forwarding traffic to the Internet versus DEC/ITD.

Expected Benefits

* Immediate improvement in user experience and productivity for an issue identified as important by SWSi users.

Migration Initiatives or Projects

* Network Security Design and Implementation Plan
* Implement Alternative Internet Service.

6 Prioritised Migration Plan

6.1 Proposed Stream and Delivery Block Approach

This section details a Migration Plan to implement proposed recommendations according to a prioritised improvement plan. It is proposed that an Migration Program (the Program) be implemented along 2 streams:

3. An **ICT Services Stream** that will mainly focus on shorter-term migration initiatives. These can generally be handled by the ICT Services in isolation (as part of the **Management function**).
4. A **Strategic Stream** that tries to address longer-term remedies including initiatives to improve governance that require the attention and cooperation of other SWSI groups outside of the ICT Services team alone (as part of the **Governance function**).

It is proposed that the Program groups the delivery of improvement projects into 6-month delivery blocks based on priority and order of precedence (dependencies).

- Proposed improvement projects that are of higher priority, shorter elapsed time for benefits to be realised and no dependency on other improvement projects have where possible, been placed in Delivery Blocks A (ICT Services) and C (Strategy).

- Proposed improvement projects that are of lower priority, longer duration time for benefits to be realised, have a dependency on other improvement projects and require significant collaboration with the IT Steering Group or other SWSI stakeholders outside of ICT Services are more likely to have been placed in Delivery Blocks B (ICT Services), D and C (Strategy).

ICT Services Stream   *SWSi Strategic* Stream

Executive Signoff
Establish Program

Delivery Block A – 6 Months	Delivery Block C – 6 Months

Program Review

Delivery Block B – 12 Months	Delivery Block D – 12 Months

Program Review
Close Migration Program

Figure 9: Proposed Priority-Based Migration Plan

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6.2 Improvement Plan – ICT Services Stream (DRAFT)

Year	Priority	Proposed Improvement Project	Delivery Commit (Month)	Dependency	Effort (Days)	Elapsed (Months)	Capability Exists	Capacity Exists	Impl Plans Ready?
2015	Medium	Monthly Communication (Communicate Management Aims and Direction)	Month 1		-	-	YES	YES	N/A
2015	High	Interim Data Centre Architecture	Month 1		5	1	YES	YES	NO
2015	Medium	ICT Services Skills Audit	Month 2	Appoint Customer Service Manager (Service Desk Lead)	5	1	YES	?	NO
2015	Critical	Implement High Capacity Carriage Services (Bankstown and Granville)	Month 3	Interim Data Centre Architecture	15	2	YES	YES	NO
2015	Medium	BYOD/Wireless/Student Experience - Service Definition	Month 3		15	-	?	?	NO
2015	High	Network Security Design and Implementation Plan	Month 2	BYOD/Wireless/Student Experience - Service Definition	-	-	?	?	NO
2015	High	Implement Alternative Internet Service	Month 4	Network Security Design and Implementation Plan	-	-	?	?	NO
2015	Medium	Skills Improvement Plan - 2015	Month 5	ICT Services Skills Audit	2	3	YES	YES	NO
2015	Medium	Office 365 Pilot	Month 5		20	3	?	?	NO
2015	Medium	Desktop-as-a-Service Pilot	Month 5		20	3	?	?	NO

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Year	Priority	Proposed Improvement Project	Delivery Commit (Month)	Dependency	Effort (Days)	Elapsed (Months)	Capability Exists	Capacity Exists	Impl Plan Ready?
2015	Critical	Implement Site Redundancy for Moodle	Month 4	Implement High Capacity Carriage Services (Bankstown and Granville)	20	3	YES	YES	NO
2015	Critical	Implement Site Redundancy for SWSI Website	Month 5	Implement High Capacity Carriage Services (Bankstown and Granville)	15	3	YES	YES	NO
2015	Critical	Implement Site Redundancy for SharePoint	Month 6	Implement High Capacity Carriage Services (Bankstown and Granville)	20	3	YES	YES	NO
2015	Critical	Implement Site Redundancy for Other Services	Month 7	Implement Site Redundancy for Moodle	20	3	YES	YES	NO
2016	Critical	Complete DR Plan	Month 8	Interim Data Centre Architecture	25	3	YES	?	NO
2016	Critical	Execute DR Test	Month 8	Implement Site Redundancy for Other Services	15	3	YES	YES	NO

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6.3 Improvement Plan - Strategic Stream (DRAFT)

Year	Priority	Proposed Improvement Project	Delivery Commit (Month)	Dependency	Effort (Days)	Elapsed (Months)	Capability Exists	Capacity Exists
2015	Critical	Implement IT Governance Board (SWSi ICT Steering Group)	Month 0		5	1	YES	YES
2015	High	Appoint ICT Services Manager	Month 1		-	1	YES	YES
2015	High	Implement Enterprise Architecture Sub-Committee	Month 1	Implement IT Governance Board		1	?	YES
2015	High	Implement Benefits Management and Value Realisation processes	Month 1	Implement IT Governance Board (SWSi ICT Steering Group)	5	1	YES	YES
2015	Critical	Develop RACI matrix for Project Portfolio Management	Month 1	Appoint ICT Services Manager	5	-	YES	?
2015	Critical	Develop RACI matrix for Service Portfolio Management	Month 1	Appoint ICT Services Manager	5	-	YES	?
2015	Critical	Implement Project Portfolio Management	Month 2	Develop RACI matrix for Project Portfolio Management	5	-	?	?
2015	Critical	Implement Service Portfolio Management	Month 2	Develop RACI matrix for Service Portfolio Management	5	-	?	?
2015	High	Appoint Customer Service Manager (Service Desk Lead)	Month 2	Implement IT Governance Board	-	-	-	?
2015	High	Service Definition Brief for SWSi Key IT Service X	Month 2	Implement Service Portfolio Management	-	1	?	?
2015	High	Service Catalogue Item for SWSi Key IT Service Y	Month 3	Service Definition Brief for SWSi Key IT Service X	-	1	?	?
2015	High	Service Desk Activity Analysis Report	Month 5	Appoint Customer Service Manager (Service Desk Lead)	15	3	NO	NO

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Year	Priority	Proposed Improvement Project	Delivery Commit (Month)	Dependency	Effort (Days)	Elapsed (Months)	Capability Exists	Capacity Exists
2015	Critical	Requirements Definition for IT-Delivered Learning 2016-18	Month 5	Implement IT Governance Board	25	3	YES	?
2015	High	Define IT Strategic Plan to 2018	Month 6	Requirements Definition for IT-Delivered Learning 2015-17	10	2	?	?
2015	High	Review of ICT Costs	Month 5	Implement IT Governance Board (SWSI ICT Steering Group)	50	5	YES	?
2016	Medium	Future State Skills Gap Analysis	Month 7	Define IT Strategic Plan to 2018	15	2	YES	?
2016	Medium	Implement Timesheeting	Month 8	Review of ICT Costs	20	3	YES	?
2016	High	Develop Technology Road Map	Month 9	Define IT Strategic Plan to 2018	6	2	YES	?
2016	Medium	Transform ICT Services to Target State Structure	Month 10	Future State Skills Gap Analysis	30	2	?	?

— end of report —

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APPROVED INSTITUTE PROJECTS

BUSINESS AREA/CODE	PROJECT DESCRIPTION	FUNDING SOURCE	APPROVED ALLOCATION $	COMMITTED ALLOCATION $	PO	EXPENDITURE TO DATE $	PROJECT MANAGER	ANTICIPATED START DATE	ACTUAL START DATE	ANTICIPATED COMPLETION DATE	ACUTAL COMPLETION DATE	STATUS/COMMENTS	PROGRESS
B&C MW 036	Granville refurbishment of plumbing teacher offices to accommodate Chullora staff	Institute	74,580	82080	2000846591	82080	DP/MMU	8/4/2014		8/4/2014	25/4/2014		COMPLETED
CI		Institute	21,246	4892	2000836436	4892	DP/MMU	18/2/2014	18/2/2014	33/4/2014	28/4/2014		COMPLETED
				580	2000823788	580		18/2/2014	18/2/2014	33/4/2014	18/4/2014		COMPLETED
	Wetherill Park Community Services and Nursing amalgamation			2468	2000822055	2468		18/2/2014	18/2/2014	11/4/2014	11/4/2014		COMPLETED
MW 028; 011; 018; 020; 021; 022; 045				5890	2000812460	5890		18/2/2014	18/2/2014	18/4/2014	19/5/2014		COMPLETED
				10560	2000867420						18/5/2014	NG 15 renovation	
				15646	2000864436			18/5/2014				NG18 and NG9	
				3400	2000864436								
				35160	2000874174					2/5/2014		6 electric beds	
				3660	2000874574							6 mattresses	
				7616	2000821823	7616						Furniture	COMPLETED
				330	2000874174							Freight	
				6890	2000836375	6890		18/2/2014	18/2/2014	11/4/2014	2/5/2014		COMPLETED
CH&SS MW 032	Bankstown Beauty expansion	Institute	50,000	6935	2000672532	6935	DP/MMU		28/4/2014	9/5/2014	20/5/2014	Beauty pods	COMPLETED
				8000	2000874699	8000				8/5/2014			COMPLETED
				7250	2000878823	7250				28/5/2014			COMPLETED
	Works to DG49 and DG19			25015	2000852290	25015		28/4/2014	9/5/2014	19/5/2014			COMPLETED
	DG 55 extra works			2920.66	2000788312	2920.66				26/5/2014			COMPLETED
Bus Dev & Marketg		Institute	400,000	285,000	2000804963	65000	DP/CSG	7/4/2014		18/6/2014		$285,000 est. construction costs commencing on 7/4/14 to progress invoices	
				116,680	2000871330			2/5/2014				first order of $128347.70	
	Relocation of Bus Dev & Marketg to Bankstown A Ground Floor.			13,945	2000880949							Bankstown AG29	
				51,368	2000880958							Bankstown C229 -mw31 d2	
MW 031				1700	2000880954	1700					30/5/2014	Bankstown ground	COMPLETED
				2400	2000880946	2400					30/5/2014	Bankstown ground floor office workstations	COMPLETED
CH&SS MW 037		Institute	80,000	3200	2000865613	3200		30/4/2014			14/5/2014	Pit Storage C4.40	COMPLETED
	Granville upgrade C4.48 for Events.			26500	2000853205	26500	DP/MMU	2/4/2014		2/5/2014	17/4/2014	construction work C4.48	COMPLETED
	Upgrade office C4.40 for Events			2400	2000863804	2650		11/4/2014			30/5/2014		COMPLETED
	teachers with current IT teachers			6345	2000853265	6345		27/5/2014			28/5/2014	supply Aircon C4.48	Complete
	Room C448 Granville			6340	2000853556	6340		11/3/2014			18/5/2014	Upgrade Aircon C440	Complete
	Bankstown travel J413			26500	2000853557	26500		27/3/2014			28/3/2014	Construction Work C448	COMPLETED
				3730	2000859570	3730		8/4/2014			15/4/2014	Switches/Points	Complete
				14950	2000874150	14950					9/5/2014	Kitchen	COMPLETED
				3550	2000875379							Furniture Granville	
				1230	2000879339	1230					14/5/2014	additional costs mw 1637s	Complete
				3660	2000876458							Caddies x 10	
	Bankstown travel J413			9290	2000836960	9290		8/4/2014			27/5/2014	Lexmark computers	COMPLETED
B&C	Finalise Carpentry relocated from Campbelltown to MBISC	Institute	8,233	540	2000849668	540	DP/CSG				20/12/2013		COMPLETED
				15300	2000849710	15300		18/3/2014			20/5/2014		COMPLETED
MW 035 MW006, 7 MW16	Finalise Plumbing relocated from Miller and Chullora to Granville			3540	2000808572	3540					27/1/2014	MBISC Furniture	COMPLETED
				790	2000808070	790					7/2/2014	MBISC furniture	COMPLETED
				9262	2000848521	9262						Street drainage	COMPLETED

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MW008 4				250	2000868861	240						20/12/2013 Install Workstations MBSE	COMPLETED
CH&SS MW 030	Bankstown Animal Care -upgrade to travel level 1	Institute	22,620	20492 13614	2000848427 2000862278	13915	DP/AMU	14/4/2014 10/4/2014	16/5/2014 24/4/2014	10/6/2014	joinery joinery	COMPLETED Complete
	Liverpool Hair & Beauty additional works outside minor work funding	Institute	20,000		2000856204		DP/AMU	14/4/2014	30/5/2014	7/6/2014	Bankstow mirrors S4005	CANCELLED
CH&SS MW032	Aged care – room alterations C2.54 & C2.53			28990	2000878266							Scoped as part of remaining number of computer in computer rooms at all colleges. HT office to be completed during holidays	
	Aged care - room alterations C2.4 and C2.3			25830	2000878266							ordered	
TIEC MW036	Additional Computers	Institute	13,000				DP/RC/AMU					Upgrade pods in TIEC for additional students	
Optus	Refurbishment	Institute	150,000	22,280 26,510 5,409 51,150	2000885119 2000885119 2000892348 2000885119		DP					exterior painting and washing interior painting and ceiling tiles Static Guard Optus building carpet	
MW 038 Various		Institute	550,000	35,300	2000848270	35300	DP					30/5/2014 Various Sites (C Block)	COMPLETED
	Flexible Learning Ctres/Customer Engagt pre-work & Granville Elec Eng.			7,936 1,317 57,940 35,090 35,090	2000857346 2000869814 2000864811 2000869875 2000869876	7936 1317						Liverpool Computer Rooms and Bankstown -furniture installation Preparation of confirmed equipment and furnish (various sites) various siesses Furniture various sites Bankstown Library furniture miller library furniture	Completed Completed
				19,580 14,906 6,902 690 19,580 17,604 14,906 22,770 30,580 48,756 7,451 27,372 17,604 33,906 17,604 7,451 4,494	2000868369 2000868369 2000868365 2000868385 2000864976 2000868576 2000868376 2000863286 2000868643 2000868657 2000868574 2000868976 2000868576 2000868643 2000868644 2000868644 2000873234	19,580 14,906 6,902 690 19,580 17,604 14,906 22,770 30,580 48,756 7,451 27,372 17,604 33,906 17,604 7,451 4,494							Completed Completed Completed Completed Completed Completed Completed Completed Completed Completed Completed Completed Completed Completed Completed Completed Completed

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MW 058; MW018													
				11,959	2000857165	11959					14/4/201		Completed
				9,390	2000859950	9390					27/5/2014		COMPLETED
				2,730	2000859970	2730					14/4/2014		Completed
				3,396	2000866558							installation of interactive screens at campbelltown	
				3,396	2000866580							installation of interactive wscreens at bankstown	
				505	2000866580							to install of interactive bundel 75 inch	
				1,010	2000866636							installation of interactive screens at liverpool	
				3,962	2000866637							installation of interactive screens at granville	
				505	2000866637							to install of interactive bundel 75 inch	
				1,132	2000868375							installation of interactive screens at liverpool	
				1,010	2000868375							installation of interactive screens at liverpool	
				1,010	2000868393							installation costs for interactive screens	
				2,264	2000868393							installation costs for interactive screens	
				566	2000868395							installation of interactive screens at ?	
				8,531	2000872260	8531					14/5/2014	Granville ceiling Engineering	
				16,299	2000872260	16299					14/5/2014	Granville ceiling Engineering	
												Qflow warranty and upgrade Ron Cordoba ICT paying $26459	
				27,886	2000825928	27886							
				2,320	2000891849							replacement optic roller college	
				1,460	2000892851	1460							COMPLETED
				702	2000892159							optic paper roll	
WHS S Unit MW027	Transfer of furniture and equipment to Wetherill Park Building A.	institute	5,500	530	2000835362	530 DP20%							Completed
TOTAL FACULTY/UNIT WORKS			1,380,179	1,572,575.37		779356.14							1,572,575

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Bankstown													
CMW Bk1	ELG17 - Refurbish large old ABE room to accommodate large classes for lecture room to 58:1		50,000	26880	2000847795	26880	DP/AMU		10/4/2014	8/5/2014	19/5/2014	Assumed TV and Trolley / amb. Ordered / COMPLETED	COMPLETED
CMW Bk2	C Block Garden West - removal and replacement of grass with native plants AREA 2		60,000	26392	2000879305		DP/CM					Area 2 best of 3 quotes .Quote Q16322	
	C Block Garden West - removal and replacement of grass with native plants AREA 3			23839	2000879305							Area 3 best of 3 quotes .Quote Q16485	
	C Block Garden West - removal and replacement of grass with native plants AREA 3			4345	2000879305							Quote Q16486	
CMW Bk3	Landscape gardening of C Block East terraced garden		20,000	33280	2000879306		DP/CM					Best of 3 quotes .Qutoe Q2125	
CMW Bk4	J Block Toilet upgrade		50,000	15461	2000888142		CM/AMU		15/4/2014	30/5/2014	5/6/2014	toilet upgrade	Completed
				9565	2000865908	9565	CM/AMU				2/5/2014	for lobby carpet tiles and floor. wall flooring	Completed
CMW Bk5	Push timers on all air-conditioners replaced by liftood		9,300	3147	2000874202	3147	DP/CM				26/5/2014	replacement item lifpod	Completed
				11290	2000878326							Furniture for C block	
													175,158
Campbelltown													
CMW CT6	Rekey external/internal doors		65,000	24762	2000872575	18269	DP/CM					COMPLETED	COMPLETED
CMW CT7	Remove - recover pebblecrete		137,000	39835	2000869582	106,000	DP/CM			4/6/2014		COMPLETED	COMPLETED
	Additional Cost for pebblecrete			15000	2000894846	15000				4/6/2014		COMPLETED	COMPLETED
CMW CT7	Gardening			2590	2000873467	2558				4/6/2014		COMPLETED	COMPLETED
CMW CT8	Relay external paving		18,000				DP/CM						
CMW CT9			50,000	47176	2000855907	47176	DP/AMU		10/4/2014	5/5/2014	30/5/2014	Groen completed	completed
				13500	2000870820							chairs for break out rooms	
				4500	2000870820							removable tablet arm	
CMW CT10	Additional security lighting		6,000				DP/CM						207,850

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Granville													
CMW G11	Applied Science C Block - disposal of surplus chemicals Vehicle Painting Rooms		15,000	13401 1087	2000854600 2000854600		DP/CM						
CMW G12	External areas - Shade and Signage for designated smokers areas		35,000	7186 27269	2000852562 2000854508		DP/CM						
C?	Garden courtyard areas in C Block		37,000	13210 6806 16590	2000852266 2000852270 2000852821	13210 6100 16590	DP/CM				26/5/2014 28/5/2014 26/5/2014		completer complered Completed
CMW G14	Architectural Drafting G 336, 337, 338 - upgrade air conditioning		45,000	28900	2000864639	28900	DP/AMU			28/5/2014	4/6/2014	Aeron G5 av/ 39/4?	completed
	Furniture Arch Draft K Block											insttute Equipmrnt S13550 2000864427	
CMW G15	Consolidate computer rooms		150,000	4250 65180 11959 9540 45500	2000862200 2000864589 2000857460 2000864577 2000872075	4250 65180 1959 45500		29/4/2014		9/5/2014 19/5/2014	19/5/2014 G E Block G125 & 608 19/5/2014 G/G276 14/4/2014 Additional switches 19/5/2014	completed completed Completed Completed
				136945	2000872560					6/6/2014	Building 6 Macquarie Fields Air Con	
				148700	2000865626					25/6/2014	upgrade various rooms and mod level 2 k block	
					2000865162						Perreau room - interactive technology room Floor coverings	
				26348 13800 24800	2000867700 2000865700	13800 24800		5/5/2014		27/6/2014 16/6/2014	Epoxi KG4 Epoxi KG5	Completed Completed
CMW G16	Replacement/repair of blinds		20,000	17845	2000854512	17805	DP/CM	18/4/2014		2/5/2014	2/5/2014 Orders raised. Fully committed	Completed
CMW G17	Air conditioning window units		6,600	5865	2000854494	5865	DP/CM			7/5/2014		Completed
CMW G18	Software programming of Fire Dampers		4,500				CM/AMU						
CMW G19	Fire panel block plans		25,000	29900	2000854510 2000855294	29900	DP/AMU	10/4/2014		28/4/2014	22/5/2014 Orders raised	Completed
CMW G20	Removal of the Avenue Gatehouse and make good		15,000	17600		17610	DP/CM			7/5/2014		completed
CMW G21	Pots and plants for elevated lunch area adjacent to courtyard		25,000	25275	2000861740	25275	DP/CM			28/5/2014		Completed
CMW G22	Additional surveillance cameras		20,000	19,910			DP/CM						

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Liverpool													
CMW U23	Replace old Blinds and curtains		110,000	13310	2000855886	13310	DP/LM				1/5/2014		completed
				9653									
				3118	2000855399	3118					1/5/2014		completed
				25660	2000865395	25660				11/4/2014	11/4/2014		completed
				26950	2000853676	26950					1/5/2014		completed
				73763	2000859188	22763		10/5/2014			22/5/2014		completed
				9595	2000856892	9595					1/5/2014		completed
CM	Repair cracks throughout college		20,000	26700	2000864437	26700	DP/AMU	5/5/2014		30/5/2014	19/5/2014	Being scoped	completed
CM	Dirty carpets and chairs		20,000	14750	2000855900	14750	DP/CM				1/5/2014		completed
CMW U26	Tiles and concrete repair/replacement		25,000	14900	2000863527		DP/AMU	5/5/2014		30/5/2014		Being scoped	
CMW U27	Refurbish toilets		70,000	84300	2000875734		DP/AMU	29/4/2014		6/6/2014		J Block toilet upgrade	
CMW U28	Upgrade College Internal Lighting		100,000				DP/AMU	5/5/2014		30/5/2014		Being scoped	
CMW U29	Upgrade external lighting		35,000	23560	2000865399	23461	DP/AMU	5/5/2014		30/5/2014		Being scoped	completed
CMW U30	Refurbishment of Foyer area at ETC		30,000	32490	2000874597		DP/AMU	12/5/2014		27/5/2014	19/6/2014	Security office alterations ETC	completed
				9620	2000874886	9620					6/6/2014	Partition & Joinery alterations	completed
				10495	2000879113							Ottomans for M block ETC	
				2958	2000876714	2958				27/5/2014		Dishwasher for M block	completed
CMW U31	Replace Chain Wire Fence around back & side of college perimeter (railway side)with Diplomat DET Standard Fencing Heritage Green.		55,000	43500	2000867600		DP/CM	12/5/2014		30/5/2014	6/6/2014		completed	351,375.80
Macquarie Fields													
CMW Mf32	Library Upgrade - Student study/call off Rooms		32,300	32300	2000873192		DP/AMU	5/5/2014		11/6/2014		Being scoped	
CMW Mf33	Outdoor Learning area compound		20,000	11070	2000865882	11070	DP/CM						Completed
				10500	2000855326	10500							Completed
				1760	2000857850	1760					23/4/2014		COMPLETED
	E block Gutter			1600	2000864435	1760					6/5/2014		completed
	Replacing foot path			18142	2000864454	18142					6/5/2014		Completed
CMW Mf34	Upgrade Office Furniture in Room R1.11 (Beauty)		8,000	6540	2000875194	6540	DP/CM				1/6/2014		Completed	81,912

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Miller													
CMW MI35	Canteen- installation of 3 Five kw Triple Head Wall Split Air Conditioners		29,960	29960	2000847318	29960	DP/CM				15/4/2014		completed
CMW MI36	Building M – Replace or lower external lighting on north and western walls		15,000	15920	2000858617	15920	DP/CM				16/5/2014		completed
CI	Block I – Install a motorised Roller Door		10,000	8140	2000858007	8140	DP/CM				30/4/2014		completed
CMW MI38	Provide additional power supplies to Building B		5,000				DP/AMU	24/4/2014		2/5/2014		Being scoped	
CMW MI39	Building H – Install security screens to lower windows		3,520				DP/CM						
CMW MI40	Refurbishment of conference room M1.50		15,000	15072	2000857615		DP/CM						
				13790	2000857627	13790					7/5/2014		Completed
				1790	2000864127	1790					2/6/2014		Completed
CMW MM1	Soundproofing of HG.9		5,000				DP/CM						
CMW MI42	Complete upgrade of outside children's services play area		8,299				DP/CM						
CMW MI43	Security Camera R Block		10,000				DP/CM						
CMW MI44	Replace college security system		10,000				DP/CM						
				10037	2000867708	10037	DP/CM				30/6/2014	replace remote alarming stations	Completed
				3276	2000867708	3276	DP/CM				30/5/2014	replacement of alarm and receiver	Complete
	Upgrade Lighting			49738	2000877948	49574				5/6/2014	5/6/2014	Purchase T5 lights	COMPLETE
				21970	2000877955					5/6/2014		Install T5 lights	
CMW MI45	Install skylights into the ceiling of engineering workshop C1.10		39,567	27166	2000864443	27166	DP/AMU	24/4/2014		5/6/2014		Being scoped	COMPLETE
CMW MI46	College – Replace window coverings		50,000				DP/CM						
				58434	2000864438							Blinds block A, G, T, M	
				5070	2000867639	5070					9/5/2014	M block window film	Completed
CMW M647	Upgrade training facilities in Building M Room 15		10,000	6060			DP/CM						
CMW MI48	Wall mounted air-conditioning to F.G.14.			13800	2000875124	13800	DP/CM						COMPLETE
				4480	2000867606	4480					21/5/2014	Projection room auditorium	COMPLETE
				5625	2000867606	5625					22/5/2014	wiring electrical	COMPLETE
				9756	2000867526	9756					4/6/2014	cable install	COMPLETE
CMW MI49	Auditorium make-over			25797	2000857615							College Careers	
	Auditorium make-over		86,000	6736	2000846552		DP/AMU		10/4/2014	5/5/2014	10/4/2014	TVs to mobile	COMPLETED
	Auditorium make-over			13390	2000874897							Order raised	

419,066

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TAFE NSW – South Western Sydney Institute: Capital Projects Status Report

BUSINESS AREA/CODE	PROJECT DESCRIPTION	FUNDING SOURCE	APPROVED ALLOCATION $	COMMITTED ALLOCATION $	PO	EXPENDITURE TO DATE $	PROJECT MANAGER	ANTICIPATED START DATE	ACTUAL START DATE	ANTICIPATED COMPLETION DATE	ACTUAL COMPLETION DATE	STATUS/ COMMENTS	PROGRESS
Padstow													
CMW Pd50	Purchase & install new industrial strength pump to irrigate the igloos and the square		2,000	1888			DP/CM						
CM…	Install metal slabs and a gate around main air-conditioning system for C Block		5,000	4432	2000657393	4433	DP/CM				1/5/2014		COMPLETED
CM…	Purchase & install 4 slimline 2500 litre water tanks		3,500	3086	2000664514	3086	DP/CM				2/4/2014		FINISHED
CMW Pd53	Window coverings to EG.21, EG. 23 and EG.24		1,500				DP/CM						
CMW Pd54	Replace window coverings		60,000	13500	2000360638	13500	DP/CM				14/4/2014		COMPLETED
	Replace window coverings			27136	2000656033	27136	DP/CM				1/5/2014		COMPLETED
CMW Pd55	Replace of old analogue security cameras with digital		15,000	3197	2000867630	2193	DP/CM				1/5/2014	Installation of cameras	COMPLETED
				5877	2000867557	5877					23/5/2014	7 cameras	COMPLETED
CMW Pd56	Install acoustic ceiling in EG.01 and EG.05		40,000	11250	2000859099	11250	DP/CM				14/4/2014		completed
CMW Pd57	Dam reinvigoration		10,000	6755	2000863398	6755	DP/CM				29/5/2014		COMPLETED
	Dam pump			3089	2000860742	3089					3/5/2014		completed
	Damp pump removal			1716	2000860711	1716					1/5/2014		completed
CMW Pd58	G1.11,12,13,14,15,18 – Examine air con. for G1 Purchase of 6 mobile air conditioners		4,000	20525	2000862697	20525	DP/CM	20/4/2014		2/5/2014	13/5/2014	Est. cost $30,000 8 completed	completed
	extra Air con for G Block G1.15			3590	2000873554	3590					15/5/2014	GG35-A/con	COMPLETED
CMW Pd59	walkways C.B, H		5,213	5215	2000864656	5215	DP/CM				15/5/2014		COMPLETED
CMW Pd60	CG Block – Window covering replacement, including conference room refurbishment (12A,13)		1,284	1284	2000867925	1284	DP/CM				15/5/2014		COMPLETED
CMW Pd61	JG Block – Window covering replacement (JG5, 1,2,6,7,8,9)		1,782				DP/CM						
CMW Pd62	EG Block – Window covering replacement (EG2, 3, 4, 5). EG.24 also but not included in quote		2,537		2000857627		DP/CM						completed

112,619

E14/1727/058/0002

TAFE NSW - South Western Sydney Institute: Capital Projects Status Report

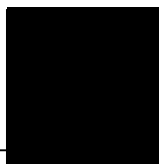| BUSINESS AREA/CODE	PROJECT DESCRIPTION	FUNDING SOURCE	APPROVED ALLOCATION $	COMMITTED ALLOCATION $	PO	EXPENDITURE TO DATE $	PROJECT MANAGER	ANTICIPATED START DATE	ACTUAL START DATE	ANTICIPATED COMPLETION DATE	ACUTAL COMPLETION DATE	STATUS/ COMMENTS	PROGRESS
Wetherill Park													
CMW WP63	Refurbish classrooms RLG1.3, RLG1.5, RLG1.16 to 30.1		20,000	19855	2000862698		DP/AMU	20/4/2014		27/5/2014	10/6/2014	Floor finishes complete	Completed
CMW WP64			100,000				DP/AMU	5/5/2014		27/6/2014		WP Room PG25; Access toilet	
	Renovate male, female and disability toilets			69700	2000872550					6/6/2014		order raised 6/05/14	
				22600	2000872542					30/5/2014		external lighting	
			50,000				DP/AMU						
CMW WP65	Roadway signage. Repair roadways and parking areas, provide new and additional speed control devices			35255	2000862921								
	Contract Award			34000	2000862651					11/6/2014			COMPLETED
	Various Works B Block			45995	2000870475	45965				6/5/2014		Partial report	COMPLETED
	Road repairs			10695	2000870456								
	Line Marking			4498	2000870449								
CMW WP66	Signage		20,000	55305	2000870287		DP/AMU	5/5/2014		27/5/2014		Block Z floor and window coverings	
CMW WP67	Recarpet Building 2 main foyer to CMU/Faculty Unit		25,000	2851	2000867623	2851	DP/AMU	5/5/2014		27/5/2014	23/5/2014	Being priced	Complete
	Recarpet all floor of Block R			2891	2000867623	2891					23/5/2014		Complete
				2606	2000867625	2606					23/5/2014		Complete
				2629	2000867625	2629					23/5/2014		Completed
				2639	2000867623	2639					23/5/2014		Completed
				2640	2000867625	2640					23/5/2014		Completed
				9839	2000867629	9839					23/5/2014		Completed
				1060.5	2000867673	1060.5					23/5/2014	Floor Works - Block closed	Completed
CMW WP68	Stretch carpet Block J ground floor		5,000				DP/CM	5/5/2014		27/5/2014		Carpet needs replacing. Est $35,500. Being priced.	
CMW WP69	Grounds - remove pavers and stencil concrete		7,000	9650	2000862245	9650	DP/AMU			24/4/2014			Completed
TOTAL	ALL COLLEGES		2,068,622	2,331,594		1,244,424							$ 4,002,161.03
TOTAL APPROVED INSTITUTE WORKS			$ 459,001	3,905,169		1,823,782							295,859

INDEPENDENT COMMISSION AGAINST CORRUPTION

27|7|15

STATEMENT IN THE MATTER OF: Operation Sonet – File No. E14/1727

PLACE: PARRAMATTA

NAME: Lakshmanaa VARATHAN

ADDRESS: Known to ICAC

OCCUPATION: Manager of Assets and Funds

TELEPHONE NO: Known to ICAC

DATE: 27 July 2015

States: -

1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

2. I am ███ years of age.

3. I am currently employed by the Department of Education and Communities within the Shared Services Centre at Parramatta as the Manager of Assets and Funds (now renamed as Banking Fixed Assets and Master Data). I have been employed by the Department of Education and Communities and held my current position since 9th March 2012. My roles and responsibilities in the role of Manager of Assets and Funds involved the management of three (3) functional teams;

Signature ███ Witness ███ 27|7|15

STATEMENT IN THE MATTER OF: Operation Sonet – File No. E14/1727
NAME: Lakshmanaa VARATHAN

Transactional Banking team, Master Data Team for business partners and vendors, and Asset Accounting team.

4. We collegially use the term "SAP Brown" which refers to the SAP system used in the initial roll-out in 2010 through to October 2013. The new build of the SAP system is known as "SAP Green" which was used by the public schools in November 2013. "SAP Green" was introduced and went "live" within TAFE NSW and the Department's Corporate offices in July 2014.

Master Data Management

5. In SAP Green, I understand that a business unit can create a "team" shopping cart (the precursor to the purchase order) where a number of people can add to the purchase order. I also understand that a purchase order can be good receipted by anyone within a cost centre. I do not know whether you can allocate several delivery locations on one purchase order. I am aware that you can do a partial goods receipt. I am not sure if a purchase order can be split amongst different cost centres – this advice needs to be sourced from the Department's ITD Division.

Vendor Creation

6. There are two ways that Shared Services Centre uses for the creation of a new vendor or supplier to the Department. The first process may involve that we look at a list known as the "Universal Work List", which has a link to a screen for the

Signature _____   Witness _____
                                                    27/7/15

STATEMENT IN THE MATTER OF: Operation Sonet – File No. E14/1727
NAME: Lakshmanaa VARATHAN

vendor which is being created, and the attached supporting documentation. The attached documentation is a document provided by the vendor which can verify their details. For instance, the document may be a letterhead which contains the vendor's address and ABN. We ensure sure that the details contained in the attachment match the details on the screen. If these details match, we process the vendor creation into the SAP system.

7. A tax invoice is unable to be processed through the Shared Services Centre Accounts Payable section unless the vendor or supplier is created within the SAP system. If the vendor or supplier does not exist within the SAP system Accounts Payable request that the vendor be created by the business unit who ordered the goods or services. In the past, if a purchase order exists but was created against the wrong vendor, then Accounts Payable may forward the invoice to SSC Master Data Management to create the appropriate vendor. This practice has ceased from about 1 July 2014 with the deployment of SAP Green. All vendor creation requests must now come from the business unit. Any invoices received by SSC Master Data Management will be returned to Accounts Payable team or forwarded directly to the business unit. The verifying document provided by the business unit is usually the invoice (if it was a valid invoice for which the goods were ordered and received by them).

Signature _____ Witness _____
27/7/15

STATEMENT IN THE MATTER OF: Operation Sonet – File No. E14/1727
NAME: Lakshmanaa VARATHAN

8. The Department's general practice is that if a vendor has been dormant and non-active for more than 18 months then the record should be marked as "dormant" and blocked. We are currently working on a formal process for dormant vendor cleansing.

9. To update vendor details, the same workflow process in SAP for the creation of a vendor is usually used. If the supporting documentation provided by the vendor matches the details in the SAP form, the vendor's details are updated accordingly.

10. An alternative process to using SAP to request the update of vendor details would be the use of email. A staff member can submit an email outlining the details they wish to update, and attach the supporting documentation from the vendor.

11. A vendor can be paid without being established in SAP first. These suppliers are referred to as 'one-time vendors'. 'One- time vendors' are used to make payment such as prizes for students and other one- off acquisitions. They are should never be used to purchase goods and services. I am not able to confirm the precise nature of the use of one time vendors as I am not responsible for monitoring its use.

Signature_____   Witness _____

27/7/15

STATEMENT IN THE MATTER OF: Operation Sonet – File No. E14/1727
NAME: Lakshmanaa VARATHAN

Asset Accounting

12. In SAP Green, The local institute or business unit can "flag" an asset when they are doing the initial purchase order by entering a WBS element (when a WBS element is created an AUC item is created automatically). When they do a goods receipt there would be a reminder (a soft warning) to remind them to create the asset in the asset register. The business unit must initiate the request to create an asset into the asset register. SSC Asset Accounting team can run an unposted asset listing report to see outstanding AUC item amounts. If a WBS element is listed in the purchase order, we have no visibility. However, we undertake a periodic / intermittent analysis of large value expenses to see if any assets have been expensed.

13. In relation to the disposal of assets, the Shared Services Centre would receive a request to dispose which would be accompanied by supporting documentation and we would initiate the disposal process through the SAP system. For TAFE Institutes we receive an authorisation from Institute Director or Institute Finance Director. For property assets, it requires Executive or Ministerial submissions. For disposal of assets in the Department and TAFE NSW we follow the MO25 – Financial Management – Lost – Write Off Delegation. The approval must be attached in the supporting documentation.
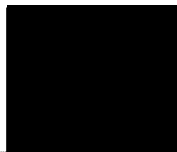
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27/7/15

STATEMENT IN THE MATTER OF: Operation Sonet – File No. E14/1727
NAME: Lakshmanaa VARATHAN

The only assets that my team or I would come across within the Shared Services Centre are "financial assets (or fixed assets)". "Financial assets" are any tangible assets valued over $10,000 or intangible assets over $50,000. Any purchases or assets valued under $10,000 is considered as equipment. Any team in the Department or TAFE NSW can procure or construct assets. Large buildings and major works and many minor works are led by the Asset Management Units in the Asset Management division of the Department. Prior to TAFE's exit from Education cluster, I understand that Asset Management facilitated major and minor projects for TAFE and Department (including Schools).

14. In my understanding, TAFE Finance units have access to the common Financial Assets register (Fixed Assets Register). In addition the may keep a local equipment register (sometimes confusingly called an Asset Register). There is only one Fixed Asset Register for the Department (including TAFE NSW). Currently TAFE NSW assets are recorded with a different company code (1020) to identify the TAFE NSW assets.

15. I am only concerned with financial assets valued over $10,000. "Equipment" assets are managed locally by the institutes and/or business units and must be accountable to their own auditors. I am aware that TAFE NSW also undertake their own financial asset audits.

Signature _____ Witness _____

27/7/15

INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

PLACE: BANKSTOWN

NAME: Sylvia ARTHUR

ADDRESS: Known to ICAC

OCCUPATION: Relieving Associate Institute Director of People, Planning &
                Performance

TELEPHONE NO: Known to ICAC

DATE: 15 July 2015

States: -

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1. This statement made by me accurately sets out the evidence which I would be
    prepared, if necessary, to give in Court as a witness. The statement is true to the
    best of my knowledge and belief, and I make it knowing that, if it is tendered in
    evidence, I shall be liable to prosecution if I have wilfully stated in it anything which
    I know to be false or do not believe to be true.

2. I am ███ years of age.

3. I am currently relieving in the position of Associate Institute Director of People,
    Planning and Performance with TAFE NSW – South Western Sydney Institute
    ("SWSI"). I have been relieving in this position since 13 August 2014. I have been
    employed by TAFE NSW for approximately 33 years.

Signature ███████████   Witness ███████████

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

4. My substantive role is as the Director of Electrotechnology, Information and
    Communications Technology and Design Faculty with SWSI. I have held this
    position for more than eight years.

5. As the relieving Associate Institute Director of People, Planning and Performance,
    I have responsibilities for a number of support business units such as Human
    Resources Unit; ICT Services Unit; Finance Unit; Organisational Capability Unit,
    which includes iTEL, Industry Liaison Unit and Corporate Governance and
    Strategy Units. I also have a number of other responsibilities which link directly to
    the Institute Director.

6. My responsibilities as the Director of Electrotechnology, Information and
    Communications Technology and Design Faculty involved educational leadership
    and management responsibilities, including all the teaching disciplines that sat
    within that particular Faculty. I had responsibility over the budget; and the
    students that sat within that Faculty over the nine (9) college locations.

7. The Head Office for the ICT Faculty was originally located at the Lidcombe
    College but has since moved to the Macquarie Fields College.

8. The Director of Electrotechnology, Information and Communications Technology
    and Design Faculty, has no responsibilities over the ICT Services Unit.

Signature ▇▇▇▇▇▇▇▇▇▇ Witness ▇▇▇▇▇▇▇▇

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

<u>Policies and Procedures</u>

9. If a new policy or procedure or change to a policy or procedure is issued from the
    Head Office at Department of Education and Communities ("DEC") or the
    Institute I would ensure that staff under my control were aware of that policy or
    procedure. I would do this in a number of ways.

10. I would place a covering note over the particular policy or procedure and send that
    to all the staff and/or I would hold a Faculty Executive Team Meeting, which
    were usually held on a weekly basis.

11. These meeting were held within the Faculty and the faculty office. These
    meetings would usually be attended by the Associate Faculty Director; the
    Teaching and Learning Consultant; the Operational Support Officer; at the time
    the Business Consultant and I.

12. In addition to the other Agenda items, we would talk about any policies or
    procedures, which would also be on the agenda of the meetings, what we needed
    to do relating to these policies or procedures or any changes that may be required
    as a result of these policies or procedures.

13. I would usually decide that we needed to inform our Head Teachers within the
    Faculty in a more formal method as not everyone reads all their emails. I would

Signature███████████   Witness ████████████

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

hold a Faculty Management Team Meeting, which was attended by all of the Head Teachers. One of the agenda items for the meeting would be to discuss the new or amended policies and procedures. We would discuss the importance of staff to adhere and comply with these policies and procedures. There would be opportunities for questions. On occasions I would also invite a guest speaker to talk about the policies and procedures or conduct a workshop with them.

14. The meetings minutes would be formalised and circulated amongst the Faculty's Head Teachers.

15. Afterwards I would follow-up with another email to remind them about the importance of adherence and compliance of the policies and procedures that we discussed at the Faculty Management Team Meeting. My Administrative Assistant would link the relevant policies and procedures to the email and recommend that they circulate them with the rest of the teaching staff.

16. All the departmental policies and procedures are available via the intranet system to all employees of TAFE NSW. Policies and procedures are also available via SWSiShare on the PoD (Policies and other documents site). SWSiShare PoD is a centralised repository for all Institute wide business documents. PoD has been designed to help staff find procedures, work instructions, policies, forms, templates and links to external sites more quickly and efficiently.

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

17. The Institute Director would send out formal announcements and equally the Finance Unit, or other SWSi Support Units, may send out announcements or bulletins relating to new or amended policies and procedures.

Ronald Cordoba

18. I first met Ronald Cordoba when he was a Teacher within the ICT and Design Faculty as it was known at the time.

19. I believe that Ronald Cordoba may have been a casual ICT Teacher prior to becoming a permanent full-time Teacher within the ICT and Design Faculty.

20. I was not Ronald Cordoba's immediate line manager or supervisor but I was his indirect supervisor. Ronald Cordoba would have been supervised by his Head Teacher who reports up to the Faculty Director and Assistant Faculty Director.

21. Ronald Cordoba was given the opportunity to relieve in the role of Teaching and Learning Consultant within the Faculty unit. Within this role, Ronald Cordoba would have been responsible for ensuring compliance with all of the Australian Standards for Quality Assurance ("ASQA") involving compliance around the standards associated with aspects of teaching and learning. He would have direct contact with the teaching staff in relation to recognition; audit of roll-books; or anything to do with educational delivery.
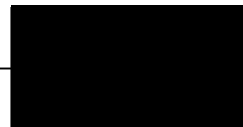
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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

22. Ronald Cordoba's substantive position was as a Senior Education Officer ("SEO"), Teaching and Learning Consultant within the Faculty of Electrotechnology, Information and Communications Technology and Design prior to relieving in the role of Manager of ICT Services Unit.

23. Between August 2009 to October 2009 and during other periods of time, Ronald Cordoba was given the opportunity to relieve as the Assistant Faculty Director of the Electrotechnology, Information and Communications Technology and Design Faculty. It is my understanding that Ronald Cordoba was relieving as the Assistant Faculty Director prior to relieving in the Manager ICT Services role.

24. At the end of December 2012, Ronald Cordoba was successful in relieving in the position of Manager of ICT Services Unit where he remained until around July/August 2014.

25. Ronald Cordoba had no financial delegation whilst he occupied the position of Senior Education Officer, Teaching and Learning Consultant within the Faculty of Electrotechnology, Information and Communications Technology and Design.

26. I am aware of a complaint made against George Zajko, a Head Teacher within the Faculty of Electrotechnology, Information and Communications Technology and Design, regarding unauthorised private and secondary employment at the CISCO Liverpool College.

Signature▮▮▮▮▮▮ Witness ▮▮▮▮▮▮

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

27. I was verbally informed by Ronald Cordoba that he had attended a course at the CISCO Liverpool Academy and that George Zajko was the lecturer and presenter for the course.

28. On the 14 March 2013, I wrote an email to George Zajko to arrange a meeting with him to discuss this private and secondary employment. During the course of this same day (14 March 2013) there were several responses between George Zajko and myself in relation to this matter.

29. At the time, the Lidcombe College of TAFE NSW was a regional academy for the CISCO Academy. Therefore at the time they had responsibilities for local academies of which this was one of them.

30. On the 17 March 2013, I forwarded a further email to George Zajko thanking him for his response to my previous emails and arranging to meet with him on Tuesday 19 March 2013 to discuss this matter further with him.

31. On 22 March 2013, I wrote a further email to George Zajko confirming what we discussed on the 19 March 2013 during our meeting.

32. On 23 March 2013, George Zajko wrote an email to me requesting whether I could identify the person who had made the allegation or reported him. I do not recall disclosing the identity of the complainant.

Signature_____   Witness _____

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

EXHIBIT: I PRODUCE COPIES OF THOSE EMAILS BETWEEN

GEORGE ZAJKO AND MYSELF BETWEEN 14 MARCH 2013

TO 23 MARCH 2013.

33. I am aware that there was a complaint made by George Zajko against Ronald

Cordoba. This complaint was not originally reported directly to me.

34. On the 6 June 2013, Ronald Cordoba sent an email to George Zajko in relation to

becoming aware about a serious allegation made against him by George Zajko to

other staff within the Faculty of Electrotechnology, Information and

Communications Technology and Design.

35. George Zajko allegedly stated that Ronald Cordoba was involved in a company or

business trading as Storm Solutions that sells to TAFE NSW and made allegations

that Ronald Cordoba was corrupt.

36. Ronald Cordoba took offence to these comments and allegations being made

against him by George Zajko. He wrote an email to George Zajko requesting a

formal apology for making these false allegations.

37. On the second page of the email, Ronald Cordoba informs George Zajko that

SWSI was aware that he was the owner of Storm Solutions and that this had been

documented and approved.

Signature _____   Witness _____

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

38. In this email (6 June 2013), Ronald Cordoba copied myself and Deborah Willmer, who was the Assistant Faculty Director of Electrotechnology, Information and Communications Technology and Design at the time, into this email. Deborah Willmer was requested to investigate this matter as a result of this email.

39. The following day (7 June 2013), Deborah Willmer wrote to Ronald Cordoba and offered to assist with this matter in an informal process, she also advised that Ronald Cordoba could lodge a formal complaint with the College Manager, Geoff Gaymer.

40. Later that same date (7 June 2013), Ronald Cordoba has replied to Deborah Willmer that an informal meeting would suffice and that an apology would be accepted.
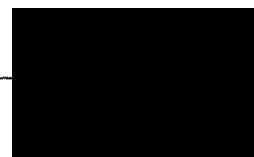
EXHIBIT; **I PRODUCE A COPY OF THAT EMAIL CHAIN BETWEEN RONALD CORDOBA; GEORGE ZAJKO; DEBORAH WILLMER AND MYSELF – BETWEEN 6 JUNE 2013 AND 7 JUNE 2013.**

41. On the 11 June 2013, I sent an email to Deborah Willmer informing her to lodge the complaint of Ronald Cordoba following the Department of Education and Communities procedures for such complaints.

Signature ▮▮▮▮▮▮ Witness ▮▮▮▮▮▮

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

EXHIBIT: I PRODUCE A COPY OF THAT EMAIL FROM MYSELF TO

DEBORAH WILLMER – DATED 11 JUNE 2013.

42. I did not receive any emails from George Zajko or any other employee of SWSI
that attached any documents relating to companies or businesses owned or
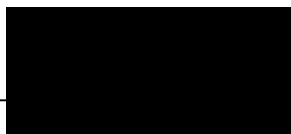controlled by Ronald Cordoba.

43. I did not receive any email directly from George Zajko in relation to any concerns
or allegations that he may have in relation to Ronald Cordoba or his involvement
with any business or company allegedly supplying goods or services to SWSI.

44. I was unaware if Ronald Cordoba had submitted a private and secondary
employment form and had received authority for Storm Solutions for the period of
2013 as at the time he was not a member of the Faculty of Electrotechnology,
Information and Communications Technology and Design but was relieving in the
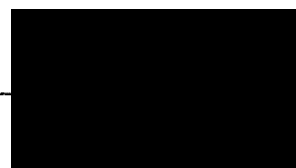position of Manager of the ICT Services Unit.

45. The only private and secondary employment form that I am aware of whilst
Ronald Cordoba was under my responsibility was for a company trading as
Meditech Pty Ltd in 2009.

46. Ronald Cordoba told me that the work with Meditech Pty Ltd involved ICT
consultancy work. This was listed on the form.

Signature_____   Witness _____

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

47. I have no prior knowledge that Ronald Cordoba was involved with any business or company trading as ITD Pty Ltd; ITD Systems; IT Data Systems; or IT Medical Solutions Pty Ltd.

Employment Screening

48. There is a placeholder in my calendar for a meeting with myself, the HR Manager and the Institute Director at the time on 28 February 2005. I do not have a clear recollection of that meeting, or the nature of the criminal conduct that was exposed in relation to Ronald Cordoba.

49. To my knowledge there is no process to check criminal records/conduct employment screening when an employee is selected for promotion or to act in another role, including one with a financial delegation.

Private and Secondary Employment

50. When I was in the role of Faculty Director I would circulate an email, usually on a yearly basis, to all Faculty staff members, which would highlight the policy and procedures around private and secondary employment.

51. During the Faculty Management Team Meeting, we would discuss and define what was private and secondary employment and the processes the staff needed to follow to obtain approval to undertake private or secondary employment.

Signature ▉▉▉▉▉▉▉▉▉ Witness ▉▉▉▉▉▉▉▉▉

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

52. I would encourage all the Head Teachers to share this information with their staff so that they were made aware of the requirements and obligations.

53. The private and secondary employment forms were valid for up to a 12-month calendar period, I would endeavour to send out reminder emails at the commencement of each semester.

54. The obligation to submit and seek approval for private and secondary employment is the responsibility of the individual staff member and it is not the line manager or Faculty Director's responsibility to chase employees to submit these forms.

55. I am not aware of any random spot checks that were conducted to verify whether an employee had participated in private or secondary employment.

56. In determining if the application would constitute a conflict of interest, consideration of the following policy/guidelines would be required:

Private and Secondary Employment Guidelines. Section 4.6 – Where applications are made for private or secondary employment, the delegate needs to be satisfied that the:

Work will not create a conflict of interest – Definition: A situation in which an employee has a private or personal interest, which may influence the exercise of his or her official duties. An employee's private employment might cause them to

Signature▬▬▬▬▬▬▬ Witness ▬▬▬▬▬▬▬

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

act in a manner which is not in the interest of DET. Refer to the Code of Conduct section on Conflict of Interest...

Financial Delegation

57. Financial delegation levels are based upon an employee's position grading level. All Institute Managers' positions, including Associate Institute Directors, have a financial delegation level up to $150,000. The Institute Director has a financial delegation level up to $500,000.

Board of Directors Meetings

58. During the 2014 period I was a representative on the Institute's monthly Board of Directors meeting in my position of the Faculty Director of Electrotechnology, Information and Communications Technology and Design and from 13 August 2014 as the relieving Associate Institute Director – People, Planning and Performance.

59. I continue to be a representative upon the Institute's Board of Directors meeting to date as the relieving Associate Institute Director - People, Planning and Performance.

60. Whilst in the relieving role as the Associate Institute Director - People, Planning and Performance, I prepared a submission to the Institute Board of Directors,

Signature _____   Witness _____

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

dated 22 October 2014, in relation to the Capability Building Project Funding.

Attached to my submission was an Excel spreadsheet relating to the Capability

Building Project Progress Report – Final Report.

EXHIBIT: **I PRODUCE A COPY OF THAT SUBMISSION TO BOARD OF**

DIRECTORS RELATING TO CAPABILITY BUILDING

PROJECTS FUNDING – FINAL REPORT – DATED 22

OCTOBER 2014.

EXHIBIT: **I PRODUCE A COPY OF THAT EXCEL SPREADHSEET**

ATTACHMENT RELATING TO THE CAPABILITY

BUILDING PROJECT PROGRESS REPORT – FINAL

REPORT.

61. I cannot be certain about agenda items discussed at these Institute Board of

Directors meetings but they were minuted and distributed amongst the Board of

Directors and the other representatives shortly after these meetings.

62. It would be normal practice for a Faculty Director or business unit manager

seeking extra funding to submit a business case to the Board of Directors for

consideration for funding for their particular project. In some instances the request
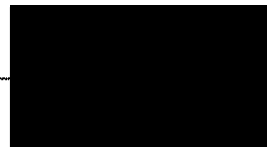
Signature███████ Witness ███████

would go to the Finance Unit, the Institute Director and/or one of the Associate Institute Directors.

63. There are no persons currently or formerly on the Institute's Board of Directors or their representative attendees that has specific technical knowledge in relation to ICT issues, or knowledge of the market value of ICT equipment and services. The Board of Directors would rely upon a representative or the Manager within the ICT Services Unit or Faculty to provide that technical knowledge, if required or requested.

64. To my knowledge an auditor or consultant has not been engaged in relation to ICT Business cases or issues, which were not understood in detail by those attending the Board meetings, including myself.

65. In 2008 in my capacity as relieving Associate Institute Director – Strategy and Development I established the ICT Reference Group. The ICT Reference Group was active from 2008 until March 2013. The 2008 Statement of Purpose lists membership as: Associate Director Strategy and Development (Convenor); 2 x Faculty Directors; College Manager (with ICT as their portfolio); Regional Manager ICT Services; Regional Manager Finance and Administration; Manager Business Planning and Performance; Manager e-Learning; Others by invitation. In 2012 the Terms of Reference included membership: Associate Director Strategy and Development (Chair); Manager ICT Services (Executive Officer); Manager

Signature⎽⎽⎽⎽⎽⎽ ████████ ⎽⎽ Witness ⎽⎽⎽ ████████ ⎽⎽⎽

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

iTEL; Director Learning Environment; at least 1 x College Manager; at least 1 x Faculty Director; at least 1 x Assistant Director Faculty; Director Finance Unit; Manager Planning and Performance; Institute Facilities Coordinator. When anything was put up by the ICT Services Unit it would go to the ICT Reference Group for vetting/endorsement prior to going to any other leadership group. This was particularly the case for replacement computers and major plant. The ICT Reference Group was disbanded due to a realignment of portfolios.

66. The ICT Reference Group no longer exists but in my current relieving role I have established a similar governance model within the Capital Asset Strategy Group for the Institute. A high level review of the ICT Services Unit was conducted by Enosys Solutions Pty Ltd. In the final report a Governance structure was provided in the findings and recommendations, together with a suggested framework, which noted the possibility of utilising the Capital Asset Strategy Group. The composition of the proposed Governance structure would be different to the current model, as outlined in the Report.

67. **EXHIBIT: I PRODUCE A COPY OF ENOSYS REPORT, WHICH RECOMMENDS AN AMENDED GOVERNANCE STRUCTURE**
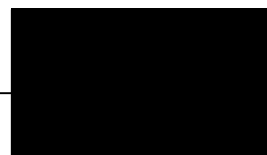
Procurement

68. All ICT equipment for the Institute is meant to be procured through the ICT Services Unit.

Signature _____   Witness _____

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69. The Institute preferred method of procurement of goods and services is through an "In Contract" or Government supplier. An "Out of Contract" supplier should only be used when there is no "In Contract" supplier for the goods or services.

70. A specific case must be established, and approved by the appropriate line manager, as to why there is a need to use an "Out of Contract" supplier. This case should be channelled through the Institute's Finance Unit for their input and/or advice.

71. Businesses are also requested to submit proposals if they are not in government contract, in addition normally three proposals are requested. To my knowledge there was not a proposal submitted by ITD Pty Ltd. I am unable to comment why this may have been the case.
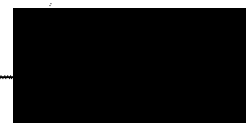
72. I have not previously heard or used a business or company trading as ITD Pty Ltd. I am unaware of what goods or services ITD Pty Ltd specialise or provide to the market.

73. Ronald Cordoba has not informed me that he was involved or associated with any business or company that was supplying any goods or services to the Department of Education and Communities; TAFE NSW or SWSI.

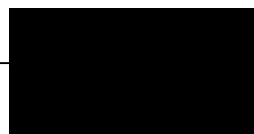Signature _____   Witness _____

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

74. I was not aware that Ronald Cordoba was involved or associated with any business or company that was supplying any goods or services to the Department of Education and Communities; TAFE NSW or SWSI.

75. I am not aware of any person within the Department of Education and Communities; TAFE NSW or SWSI that was aware that Ronald Cordoba was involved or associated with any business or company that was supplying any goods or services to the Department of Education and Communities; TAFE NSW or SWSI.

76. I would not have approved any private and secondary employment to Ronald Cordoba if it was known that he intended to undertake business with any NSW Government agencies or educational institutions through any of his private businesses or companies.

77. I am not aware of any Department of Education and Communities; TAFE NSW or SWSI employees that may have worked for Ronald Cordoba in a private capacity for any of his businesses or companies.

78. I am not aware if Ronald Cordoba was using any TAFE NSW or SWSI equipment or resources to operate any of his private businesses or companies.

79. In August 2014, I commenced to relieve as the Associate Institute Director of People, Planning and Performance. This relieving position was previously held by

Signature ███████ Witness ███████

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

John Humphrey, whose substantive role was as the Institute's Faculty Director of Building and Construction. John Humphrey was relieving in the position of Associate Institute Director of People, Planning and Performance for approximately eleven months but I cannot be certain of the actual period.

80. If a collection of goods and/or services were ordered at the same time from the one supplier, for numerous College locations, I would expect a single purchase order to be raised. To my knowledge, it does not assist the asset register process to create a separate purchase order for goods and/or services being received by each different location.

81. I understand that some equipment was returned, however I have no direct knowledge of what equipment has not been identified.

82. In addition to the Submission to the Board template (and other Governance Groups) I will be requesting a Business Case template to be used by the ICT Services Unit specifically for the purchase of equipment and/or requests for funding. It will be adopted for any new requests or additional monies. I am not familiar with the detail as I was not the Associate Institute Director at the time.

EXHIBIT: I PRODUCE A COPY OF THE BUSINESS CASE TEMPLATE THAT IS TO BE USED BY THE ICT SERVICES UNIT.
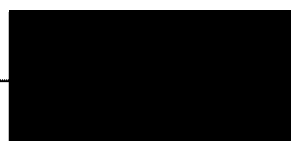
Signature _____   Witness _____

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

83. When I commenced in this role, following consultation with the Board, I disseminated the list of projects, their budgets and their associated equipment purchases to project managers for feedback on whether they received value for money. I also asked project managers whether they could identify opportunities to share the benefit of their projects across other aspects of the organisation.

84. As a result of this process, none of the project managers have reported that they were unsure of the purpose of the equipment.

85. In an email to the Board on 22nd October, 2014 I proposed that in future the value for money and benefits to SWSi, achieved by projects is reported to the Board. Board members supported this proposal. A formal process has not been implemented at this stage, pending the implementation of the findings and recommendations for the ICT Services Review conducted by Enosys. The final report was tabled in May 2015. Implementation is due to commence July 2015.

86. SWSI employees who have procurement duties as part of their role do not have KPIs around procurement. The incentive is to comply with the relevant policies and procedures and to work within budget. Faculty staff (namely Head Teachers) were required to report on a monthly basis on their section's performance and efficiency. These reports were then rolled up into the Faculty Report. The ICT Manager reports on the ICT Services Unit's performance against their budget,

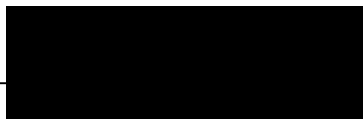Signature   Witness

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
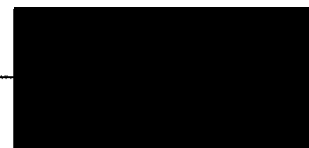NAME: Sylvia ARTHUR

projects, initiatives, activities etc in my 1:1 meetings. I am unaware of the

reporting that occurred prior to me relieving in the Associate Institute Director –

People, Planning and Performance role.

87. In relation to SWSi projects, further funding does not need to be requested at

project milestones, since it is accessible in its entirety upfront.

88. It is my understanding that progress and budget reporting was only required in

relation to past and current project milestones for the ICT Business Cases

submitted by Ronald Cordoba.

89. If a project requires budget variation, depending on the project, the project

manager would be required to submit a proposal outlining a rationale for

additional funds. This would have to be approved by the line manager, prior to the

provision of the funds and dependent upon the amount of the request it would be

required to go to the Board for approval.

90. Currently I conduct monthly (or on a needs basis) reviews with the relieving

Manager of ICT Services on all ICT projects, initiatives, updates, budget and

"business as usual" activities to determine the status of scope and deliverables.

These reviews are documented against the activities. A change to the formal

process and the development of a formal assessment is in development.

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

Disposal of End-of-Life Equipment

91. All end-of-lease; end-of-life; or decommissioned ICT equipment belonging to SWSI are disposed of through the Finance Unit in consultation with the ICT Services Unit. They can either be disposed through a public auction or disposed through an e-recycler if they have no financial value.

92. The Faculty of Electrotechnology, Information and Communications Technology and Design also negotiated with the Institute to use some of the end-of-life computers to be used in the Non-Corporate Students Labs so that they can be pulled apart and put back together, as part of the student teaching and learning activities.

93. I am aware that on occasions, some computers are able to be donated to a not-for-profit organisation but they must go through the same disposal processes.

94. I am not aware of any SWSI staff being allowed to remove or use any end-of-life or decommissioned computers for their own personal use.

95. I am not aware of a computer retailer trading as J&W Computers Villawood. I was not aware of any TAFE NSW or SWSI computers or other ICT equipment being collected or disposed of through the company, J&W Computers Villawood.

Signature_███████████████.   Witness ___████████████___

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR

Disposal of ICT equipment via J&W Computers Villawood would not be acceptable under any circumstances.

96. To my knowledge, there are no safeguards to ensure that ICT equipment is only disposed of to 'in government contract' companies. However, the disposal of assets may be able to be tracked using the asset tracking/Asset Register and stock-take initiatives.
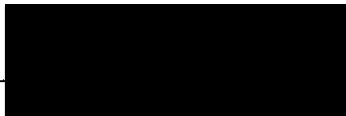
97. I was not aware if Ronald Cordoba or any other TAFE NSW employee receiving any monies from J&W Computers Villawood for the collection and disposal of TAFE NSW or SWSI owned computers.

98. I am not aware of any payment of monies by J&W Computers Villawood for the collection and disposal of any TAFE NSW or SWSI owned computers and/or other ICT equipment.

Removal of TAFE NSW Equipment

99. It is the normal process if a TAFE NSW or SWSI employee wishes to remove or take any equipment belonging to the Institute home or offsite that they receive permission or authority from their immediate line manager and complete an entry within the "Equipment Movement Register" or similar register.

Signature␣␣␣␣␣␣␣␣␣␣␣␣␣␣␣␣ Witness ␣␣␣␣␣␣␣␣␣␣␣

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Sylvia ARTHUR
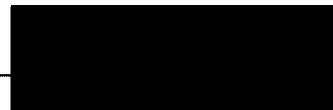
100.   I have no knowledge if Ronald Cordoba or any other employee of TAFE NSW
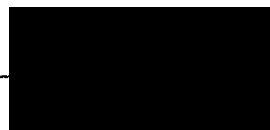
has received any monies or other financial benefits or rewards to purchase ICT

equipment and/or software through the company or business trading as ITD Pty

Ltd or ITD Systems on behalf of the Institute.

101.   I am not aware of any person employed by the Department of Education and

Communities or TAFE NSW that have received any monies or other financial

benefits or rewards from Ronald Cordoba for the placement of orders for ICT

equipment and software to be supplied to the Institute through his company or

business trading as ITD Pty Ltd or ITD Systems.

Signature ▇▇▇▇▇▇▇ Witness ▇▇▇▇▇▇▇

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Arthur, Sylvia

From:	Zajko, George
Sent:	Saturday, 23 March 2013 1:09 PM
To:	Arthur, Sylvia
Subject:	RE: Meeting - Private and Secondary Employment

Thanks Sylvia

Could you please advise who made the original allegation/report to you?

Best Regards

George Zajko

From: Arthur, Sylvia
Sent: Friday, 22 March 2013 2:59 PM
To: Zajko, George
Subject: RE: Meeting - Private and Secondary Employment

Dear George

I am writing to confirm the outcomes of our meeting on Tuesday 19 March regarding this matter. I am satisfied with your explanations and agree that this activity sits outside of the Private and Secondary Employment Guidelines.

Thank you for your cooperation.

Regards

Sylvia Arthur

| Director | Electrotechnology, Information & Communications Technology & Design Faculty |
| p 02 9829 ███ | f 02 9829 ███ m ███████ | e sylvia.arthur@███████ | w www.swsi.███████ |

From: Arthur, Sylvia
Sent: Sunday, 17 March 2013 4:41 PM
To: Zajko, George
Subject: RE: Meeting - Private and Secondary Employment

Dear George
Thank you for your prompt response and the points outlined in your email. My understanding from your response is that you were/are working in a voluntary capacity for a short period of time at the Matrix Institute of Technology.

Perhaps we can discuss on Tuesday as per your suggestion.

Thanks and Regards

Sylvia Arthur

Director	Electrotechnology, Information & Communications Technology & Design Faculty
Macquarie Fields College	Victoria Road	PO Box 5, Macquarie Fields 2564
p 02 9829 ███	f 02 9829 ███ m ███████	e sylvia.arthur@███████	w www.swsi.███████

From: Zajko, George
Sent: Saturday, 16 March 2013 12:45 PM

1

To: Arthur, Sylvia
Subject: RE: Meeting - Private and Secondary Employment

Hi Sylvia

This is nonsense.

I thought in your first email that you were referring into my voluntary unpaid work with the St VIncent de Paul Society in delivering food and financial assistance to my local

disadvantaged community members.

The Liverpool Cisco Academy, as well as several other academies (Blacktown, Parkes, Ultimo, Mudgee and others) has been under the umbrella of Lidcombe IT when the

Cisco Networking Academy system had an hierarchical structure, comprising Regional and supported Local Academies.

Currently the Cisco Netwoking Academy Program is globally undergoing massive structural and operational changes that would normally overwhelm Local Academies. It is

daunting even for me, an experienced Cisco instructor. Since the Liverpool Academy has been inactive in delivering courses for some time, the changes have left the Legal

Main Contact somewhat bewildered, and so Zacharias Kondaxis asked me to guide him through the new NetSpace curriculum delivery environment, and for a very short

time, to mentor the new delivery strategies as per NetSpace, for which Zacharias Kondaxis himself was a student for 3 weeks.

The temporary pro-bono assistance arrangement was stated and made clear at the beginning of the session, to all present.

I undertook this task:

1. as a short term temporary assignment to assist a Local Academy in creating classes, environment management, and mentoring curriculum delivery in the new NetSpace

environment;

2. in the spirit of support to a historical Local Academy- both I and John Roc were there for the formal opening of the Liverpool Cisco Academy in 29 May 2003, and when

Macquarie Fields TAFE IT did not want to take on the academy, Zacharias Kondaxis, from Workventures, took up the running of the academy instead;

3. as an unpaid, either now or in the future, voluntary task in my own time;

4. as an opportunity and a way of rethinking and re-doing my own delivery strategies for Cisco curriculum delivery.

It is the same free assistance that I give to the Telecommunications group and the Lidcombe IT group in their own Cisco Academy Program, for example,

1. recently, after considerable consultation with him, making Mohan Vuppalapatti a Registar for the Academy to allow him to process his own Cisco teaching staff;
2. providing a transitional training program for Telecommunications teacher Ric Gigli, who needed to upgrade to be an instructor in the CCNA1 curriculum;
3. providing several transitional training programs for other Lidcombe IT staff to upgrade to instructors in IT

2

Essentials and CCNA programs.

Given that this short term, free, unpaid, uncompensated, pro-bono, unremmited task was taken up voluntarily in my own time on a Saturday as a favour to a Local Cisco

Academy, I did not see this as valid reason to submit anything under right to private practice processes. It is not a continuing employment commitment. I already have

enough to do working pro-bono at Lidcombe IT with all-night sessions well out of TPD hours, preparing new resources for teaching in advanced topics in IT, and reports for

faculty and management.

I am happy to meet with you to discuss any further concerns that you may have, perhaps in a break at the Tuesday 19 March 2013 Faculty Meeting, or afterwards before the

Discipline Group meeting.

Best Regards

George Zajko

From: Arthur, Sylvia
Sent: Thursday, 14 March 2013 3:40 PM
To: Zajko, George
Subject: RE: Meeting - Private and Secondary Employment

Dear George

I have received advice that you are teaching at the Matrix Institute of Technology on the following course:

CCNA 1 Network Fundamentals $635	Starts: 23 February 2013 | Finishes: 27 June 2013 Every Saturday 10.00am - 2.00pm

The meeting is regarding your response to this matter.

Regards

Sylvia Arthur

| Director | Electrotechnology, Information & Communications Technology & Design Faculty |
| p 02 9829 ▮▮▮ | f 02 9829 ▮▮▮ m ▮▮▮▮ e sylvia.arthur@▮▮▮▮ w www.swsi.▮▮▮▮ |

From: Zajko, George
Sent: Thursday, 14 March 2013 3:26 PM
To: Arthur, Sylvia
Subject: RE: Meeting - Private and Secondary Employment

Hi Sylvia

Could you please clarify what you understand to be, in this case, "an issue regarding Private and Secondary Employment".

Regards

George Zajko

3

From: Arthur, Sylvia
Sent: Thursday, 14 March 2013 9:18 AM
To: Zajko, George
Cc: Tideswell, Megan
Subject: Meeting - Private and Secondary Employment

Dear George
I would like to arrange a meeting with you to discuss an issue regarding Private and Secondary Employment. I will ask Megan to liaise with you regarding a suitable time/day. As you are aware Megan is in the office Mondays/Tuesdays.

Regards

Sylvia Arthur

Director	Electrotechnology, Information & Communications Technology & Design Faculty
Macquarie Fields College	Victoria Road	PO Box 5, Macquarie Fields 2564
p 02 9829 ▇	f 02 9829 ▇	m ▇	e sylvia.arthur@▇	w www.swsi▇

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4

From:	Cordoba, Ron
To:	Willmer, Deborah
Cc:	Zajko, George; Matta, Franz; Youssef, Paul; Benfatto, Richard; Arthur, Sylvia
Subject:	RE: Complaint
Date:	Friday, 7 June 2013 2:09:35 PM

An informal meeting will suffice as if the allegation is true an apology would be accepted and we can move on.

Ron

From: Willmer, Deborah
Sent: Friday, 7 June 2013 1:42 PM
To: Cordoba, Ron
Cc: Zajko, George; Matta, Franz; Youssef, Paul; Benfatto, Richard; Arthur, Sylvia; Willmer, Deborah
Subject: Re: Complaint

Dear Ron

I will be available to assist with this matter on Tuesday, 11 June after 1:00 pm.

If you wish to register a complaint through the complaint procedure, I can commence the informal process and determine the appropriate next step/s to be taken.

Alternately, the complaint can be registered with Geoff Gaymer, College Manager, Lidcombe College, via the complaint form available on POD?

Please let me know if you wish to meet on Tuesday.

Regards
Deborah Willmer
(Relieving) Assistant Director, Faculty
Electrotechnology, ICT & Design
9829 ▇

On 06/06/2013, at 10:06 PM, "Cordoba, Ron" <Ron.Cordoba@▇▇▇▇▇▇> wrote:

Hi George,

It has come to my attention that you have made a serious allegation against me in front of the following staff members:

* **Franz Matta**
* **Paul Youseff**
* **Richard Benfatto**

The information provided to me today was in reference to a statement that you made in the Lidcombe Staff Room around lunchtime when in discussion about an issue of a "Student" that has their own business and was trying to sell a printer for your section. (and this is questionable as well given the policy printers purchasing policy - this is an issue for your line manager)

The following alleged statement has been made: **"its not like Storm Solutions from Ron that he sells to TAFE and that he is corrupt".**

If the alleged statement that has been presented to me is correct I find this statement offensive and defamatory and I will be seeking a formal apology and a quick

resolution to the matter as we have no place in TAFE NSW - SWSi for this type of behaviour or inuendo.

For your information, yes I am the owner of Storm Solutions and this is documented within SWSi at all levels (Faculty and Institute) with a right to private practice at all times and the allegation of corrupt behaviour is defamatory and not acceptable.

If the statement is not true I will take action accordingly.

I have added the staff that were present and since your line manager is Sylvia Arthur and I have also included Deborah Willmer as the Assistant Faculty Director which in her role she manages internal complaints within the faculty.

Please ensure you contact me via email to clarify this promptly.

Regards

Ron Cordoba

ICT Manager | TAFE

TAFE NSW – South Western Sydney Institute | 32 Victoria Road, Macquarie Fields NSW 2565

T 02 9829 ▮▮▮ | F 02 9829 ▮▮▮ | M ▮▮▮▮▮ | VOIP ▮▮

| E ron.cordoba@▮▮▮▮▮ | W www.SWSi.tafensw.edu.au

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Yammine, Georgina

From:	Arthur, Sylvia
Sent:	Thursday, 7 May 2015 10:52 AM
To:	Yammine, Georgina
Subject:	FW: IT - Lidcombe

Printing thks

Regards

Sylvia Arthur

R/Associate Institute Director – People, Planning and Performance	Institute Director's Unit
Bankstown College	500 Chapel Road |Bankstown NSW 2200
p 02 8713 6513	f 02 9790 7353	m ▇▇▇▇	e sylvia.arthur@▇▇▇▇	w www.SWSi.▇▇▇

From: Arthur, Sylvia
Sent: Tuesday, 11 June 2013 8:42 PM
To: Willmer, Deborah
Subject: IT - Lidcombe

Hi Deborah

Just to confirm our conversation regarding the matters in IT at Lidcombe.

I agree with the proposal for Richard Benfatto to temporarily work in IT at Campbelltown. You mentioned that this was his preferred section. Unfortunately we are not in a position to accept a transfer to Telecommunications & Networks until after we have finalised our profile and services review and even then there may not be a position available. Would you please follow up with Sharyn Kuchar to determine whether we can implement beginning of semester 2.

Lodge the complaint raised by Ron Cordoba following the DEC procedure. Even though Ron was satisfied with the outcome of his conversation with George Zjako, I think you should also touch base with the 3 witnesses to the allegation, so that we are closing off all loose ends.

Thanks Deborah, you've done a good job managing this situation.

Sylvia Arthur

Director	Electrotechnology, Information & Communications Technology & Design Faculty
Macquarie Fields College	Victoria Road |PO Box 5, Macquarie Fields 2564
p 02 9829 ▇▇	f 02 9829 ▇▇ m ▇▇▇	e sylvia.arthur@▇▇▇	w www.swsi.▇▇▇
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1

South Western Sydney Institute

Submission to Board of Directors

Sensitivity:	Confidential not for distribution
Date:	22 October 2014
Agenda Item No:	Item 6
Subject:	Capability Building Projects Funding – Final Report
Purpose:	For Information and Discussion

Issue

Final report for the SWSi Capability Building Projects Funding.

Background

At its February meeting, the Board approved funding for Capability Building Projects. Projects were to be completed by 30 June 2014. The total cost of the projects was $6,868,736 and funding was allocated across five categories as follows:

Title	Total Cost
Laptop Renewal Strategy	$665,500
Information Technology Infrastructure Projects	$1,884,814
Transformational Strategy Facilities Projects	$3,563,306
Commercial Product Development	$582,356
Marketing Collateral Development	$172,860
GRAND TOTAL	**$6,868,736**

Current Situation

Project Owners were required to manage their projects in accordance with policies, procedures and to the specific requirements of funding, for example under the category of Commercial Product Development funds were not to be expended for the purchase of equipment. Project Owners were also required to provide progress reports on the expenditure and status of their projects to ensure that the completion date could be met and funds acquitted by the due date of 15 June 2014.

Comment

Project Owners were asked to provide feedback on the outcomes of their projects and in particular the benefits/improvements to their units and to SWSi. This is particularly beneficial in the Commercial Product Development category which allows for the sharing of ideas and innovations across Faculties and units. Feedback has been incorporated into the final report at Tab A.

Submission to Board of Directors
Owner: Corporate Strategy and Governance unit
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Consultation

SWSi Finance

Financial implications

The total funding being allocated to this initiative is $6,868,736.
The total funding being expended against this initiative is $6,998,489 which results in a variance of -$129,753.

Recommendations

The Board of Directors notes the status of the Capability Building Projects Funding – Final Report and provides comment and feedback on the outcomes of this initiative.

Sylvia Arthur
R/Associate Institute Director – People, Planning & Performance
22 October 2014

Attachment: TAB A Capability Building Projects Funding – Final Report

Submission to Board of Directors
Owner: Corporate Strategy and Governance unit
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Capability Building Projects Progress Report
Final Report

TAB A

Project Name	Responsible Manager	Allocated Budget	Progress at 30/06/14	Total funds expended	Feedback
Renewal Strategy	Ron Cordoba / George Milanovic	$665,500.00	COMPLETED	$665,171.00	• Project designed to replace 355 old laptops from a total of 638 identified. • All laptops have been deployed to sites and in the process of being built and distributed. • Provide and improve the ability for staff and sections to provide/conduct onsite/offsite delivery and conduct offsite/mobile/portable business.
ICT Services Budget Fulfilment request	Ron Cordoba / George Milanovic	$681,000.00	COMPLETED	$702,221.00	This budget provided: • Increase storage in the cloud for faculties/sections. • Section specific assistance provided to improve educational delivery. • Replace existing educational email system. Will provide teaching sections with new email functionality to complete core educational competencies. Software for ICT, faculties & units such as: • TeamViewer licences – provide increased support capabilities to ICT Services from inside/out OEC to support staff. • Polycom licences – portable video conferencing for VIP's and to other critical staff. • Renewal of Survey software maintenance & support – classroom usage monitoring software, to provide institute with relevant classroom usage and utilisation information. • WCAG Compliance software – institute web services compliance. • Scanning web applications licences vulnerabilities – ensures our institute applications and web presence is secure. • Improvement and added feature sets to current voice capabilities in the institute. • Improved backup and recovery state of servers and virtual machines. • Provide real-time monitoring and reporting of all institute server environments. Hardware for ICT Services: • Provide virtualised testing and development environments on each Administrators PC. • Increase and improved backup capacity for the institute. • Yearly clean performed to optimise clean room, remove dust and other rubbish from rooms. • Improved security in/out of rooms. • Improved and increased speed of SOE and software development and deployment for staff and educational pc's in the institute. • Enable institute wide connection of equipment.
ttnl Purse Consolidation Project	Ron Cordoba / George Milanovic	$256,000.00	still being implemented Funding exhausted no more expenses reuired	$329,565.00	• New monitor system will provide an improved cashless, secure printing system for the institute via Kiosks.
Cost Recovery System Project	Ron Cordoba / George Milanovic	$118,000.00	still being implemented Funding exhausted no more expenses required	$58,784.00	• Remove the current system, new system will be able to provide accurate reporting on financials in this area.
Design Upgrade Project	Ron Cordoba / George Milanovic	$160,000.00	COMPLETED	$160,309.00	• Improve educational delivery.

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Project Name	Responsible Manager	Allocated Budget	Progress at 30/06/14	Total funds expended	Feedback
External Internet Access SWSI Project	Ron Cordoba / George Milanovic	$210,000.00	COMPLETED	$166,211.00	• To be used for commercial and other opportunities where external internet access and services beyond the DEC firewall is required in SWSI. • Used by ICT Services for large data transfers and other server and network related activities.
ICT Services Infrastructure SWSI Backup system	Ron Cordoba / George Milanovic	$350,000.00	COMPLETED	$368,627.00	• Boost and include increased backup capacity by adding an additional backup location. SWSI now has 3 dedicated backup locations Macquarie Fields, Granville and Bankstown. • Increased disaster recovery and on premise backup for strategically located institute applications and services including SharePoint, Kentico and Moodle.
Mobility Solutions system	Ron Cordoba	$100,000.00	COMPLETED ready to be rolled-out	$101,205.00	• This will provide the institute the ability to sell and provide services to staff, students and the general public via a kiosk using the new Monitor solution. • This will replace existing end of life equipment and provide additional functionality. • Mobile phones for ICT staff usage – provide better coverage and contact of key ICT staff.
Organisational Redesign Project Proposals 2014	Damien Prentice	$1,519,000.00	COMPLETED	$1,653,226.00	N/A
Institute / College Projects	Damien Prentice	$2,044,000.00	COMPLETED	$2,250,257.00	N/A
Trade Readiness programs to be developed & implemented across a state wide commercial market	John Quine	$14,500.00	Final estimates received (19/08/14) Stage 1 Software development including reports $6,000.00 Stage 2 Commissioning and contingency - $2,500.00 Total Project cost $8,500.00 Spoke with Chen Qui at finance and she confirmed that core funds are no longer available to finance this project however funds could be retrieved via the Trade Readiness budget. Further consultation with John H. required	$8,700.00	Trade readiness: This will assist the all practitioners across the state to record and produce results for the participants. The project should also be able to produce reports that will collect data on the institute and the whole state for further funding applications.

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Project Name	Responsible Manager	Allocated Budget	Progress at 30/06/14	Total funds expended	Feedback
Moodle development for Owner Builder compliance	Shayne Fagan	$7,920.00	The moodle site has been developed and will be offered soon	$7,990.00	
Moodle development for Asbestos Supervision	Shayne Fagan	$5,940.00	The moodle site has been developed	$3,264.00	
Moodle development for Asbestos Awareness	Shayne Fagan	$5,940.00	The moodle site has been developed	$3,264.00	Internally: • Development of staff capability with eLearning. • Boost morale of staff involved moving into the new Smart and Skilled environment. • Creates cost effective commercial opportunities. • Increase in student numbers in the programs. • Easier management of students learning and record keeping. Externally: • Opens accesses for a wider market place share. • Typical eLearning benefits. • A cost effective program instead of paying for face to face. • Accessible at any time.
Moodle development for Cert 2 Horticulture	Shayne Fagan	$12,300.00	The moodle site has been developed	$12,300.00	
Moodle Development for Chainsaw Operations	Shayne Fagan	$6,800.00	The moodle site has been developed	$4,020.00	
Moodle Development for Inspecting & Moisture testing subfloors	Shayne Fagan	$7,700.00	The moodle site has been developed	$7,650.00	
Develop online resources for TAFE online programs: Diploma of Leadership & Management	Leah Simpson	$78,200.00	A number of electives for Diploma are complete ready for phase two of TOL. The core units are still not endorsed on TGA so we have not been able to work on these.	$36,286.00	
Develop online resources for TAFE Online programs: Diploma of Project Management	Leah Simpson	$50,403.00	Complete - to all TOL specifications awaiting the upload into the LMS (Canvas)	$50,046.00	
Develop Online resources for Diploma of Accounting	Leah Simpson	$97,163.00	DID NOT GO AHEAD	$0.00	
Higher Education	Jennifer Harding	$37,800.00	DID NOT GO AHEAD	$0.00	

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Project Name	Responsible Manager	Allocated Budget	Progress at 30/06/14	Total funds expended	Feedback
...elop online resources for Business Administration III, Cert IV & Diploma	Leah Simpson	$33,450.00	Complete - The Diploma of Bus Admin has been flipped and developed using the new SWSi online template. The Faculty has signed a contract with Software Publications for use of their resources for the online Cill	$11,730.00	
Development of Recognition Self Assessment Online	Domenic Demasi	$13,000.00	COMPLETED	$0.00	
RUReady Initial Assessment Package - Commercial	Nola Lucre	$14,000.00	Implementing	$0.00	**Marketing collateral** • Marketing material was developed to assist in the promotion of the RUReady Assessment Packages. They included postcards, bookmarks and a promotional video. • These materials were designed specifically to entice business to purchase access to the RUReady program and assessments and then on sell LLN training where appropriate. The materials can also be used to support any enquiries made through the new SWSi website. It was also envisaged that the material would become a part of the tool kit for SWSi Business Consultants when working with current and new customers. The following activities have been initiated: • RUReady has a presence on the SWSi website → Business and Employers → Services for Business and Employers → Our Services → RUReady • Two meetings have been held with SWSi Business Consultants. Consultants should then be able to add the material to their tool bag for distribution to prospective customers. • The promotional video production is ready for endorsement of the Institute Director. • While no new customers have been secured at this stage it is hoped that the promotion of the RUReady Assessment Packages by Business Consultants and HTs negotiating programs using the collateral will lead to new ventures in the near future.
Student Placement mechanism for Enrolled Nursing	Sheila Coupe	$23,100.00	COMPLETED	$23,000.00	• Secured increased clinical placements for our Diploma of Nursing Students • Increased our partnerships with industry • Supported an approach to increasing Aboriginal students into the Diploma of Nursing programs.
...dle to house future resources - Event ...gement	Amanda Good	$10,000.00	On-track Project has been extended till end of August. Payments have been finalised as at 30 June 2014.	$10,000.00	The Moodle project undertaken by the Events section has given us many benefits; • Increased capability of one PT Teacher in Moodles • Research into different Moodle assessment options • increasing the relationship held with Futura – expanded to include our section as well as Hospitality / Cookery • Good opportunity to look at what we are offering and being more innovative around delivery and assessment based on options offered by Futura
Moodle welding supervision and inspection	Ed Zussa	$0.00	COMPLETED	$2,240.00	

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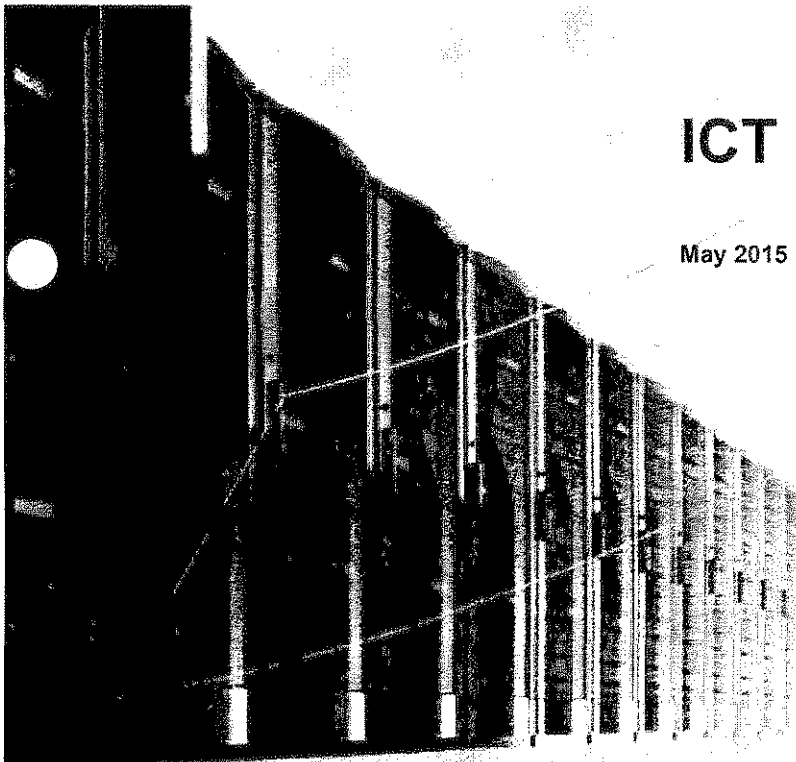| Project Name	Responsible Manager	Allocated Budget	Progress at 30/06/14	Total funds expended	Benefits
Auspicing checklist	Anne Maloy	$4,480.00	Project underway. Still requires more work	$4,480.00	• Provide a consistent approach when entering into an Auspicing Agreement. • The documents meet the requirements of the VET Quality Framework by ensuring quality training and assessment and adherence of quality assurance procedures before, during and post training and assessment delivery.
Diploma of Salon Management - Online Moodle	Antonia Urso	$16,860.00	The project has not been completed and the team will continue working on the development of the online resources throughout semester 2, 2014. At this stage only 70 hours of release has been used on the project and no other costs have been incurred. Three units are completed and currently being used and short videos have been developed for all 6 core units, which will be further developed	$16,860.00	• More flexibility in delivery & broader reach - Ability to cater for students that cannot attend training face to face. Many students that undertake this qualification are employed full time and prefer a blended approach. • Cost effectiveness - Ability to reduce delivery hours for the qualification to make the course viable to run even with small numbers. This qualification is a VFH offering and is also offered to international students. We are now working towards increasing number of enrolments in the qualification. • Competitive with other providers - We have been able to offer students the teacher/student contact but also the benefits of studying online. Many hair & beauty students are not comfortable with fully online training if they have not studied online before. Many RTOs are offering one or the other, the blended approach has allowed us to better support students.
Children's Trainer Online Course	Mark Cudmore	$1,000.00	Payment has been confirmed by Fitness Australia and 16 CEC points have been awarded. The project is ready to be advertised in Semester 2 2014.	$1,000.00	
Online Product under the IT Institute: Diploma of Website Development	Inas Sedrak	$60,000.00	Final Testing and Quality Assurance	$56,124.00	
Online Product under the IT Institute: Diploma of Software Development	Inas Sedrak	$60,000.00	Final Testing and Quality Assurance	$56,124.00	
Flexible delivery options for the 2 Statement of Attainment courses 11954 & 12074	Kurry Lynch	$20,000.00	Still in progress	$20,000.00	

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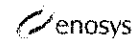| Project Name	Responsible Manager	Allocated Budget	Progress at 30/06/14	Total funds expended	Feedback
Replenishing of video profiles	Belinda Kynaston	$50,000.00	Update as at 5/8/14. Filming took place 21 - 25 July. Editing and post production currently taking place	$49,950.00	• New TAFE SWSI promo video first draft soon to be finalised
Section flyers written and edited for all sections	Belinda Kynaston	$10,000.00	Update as at 5/8/14. Writer contacted for progress update Monday 4.8.2014. More flyers sent through however some flyers still outstanding. Liaising with faculties to have completed information sent to writer. Flyers produced for the following sections: - Arts, graphic design, media, photography - Interior and product design - Refrigeration and air conditioning - Telecommunications - Electrical engineering - Information technology - Fashion design - Electrical trades	$0.00	• Still in progress – some still outstanding
Production (printing and photography of high end Beauty flyers)	Belinda Kynaston	$5,880.00	COMPLETE	$0.00	• This has been extremely well received and morale has improved. Teachers are feeling more confident in promoting their Hair and Beauty sections as we are matching industry promotional standards.
Capability statements for all Faculties (excluding CHHASS complete)	Belinda Kynaston	$12,000.00	Update as at 5/8/14 Business and Finance Capability Statement and Foundation Skills Facility outstanding	$4,915.00	• CHHASS was the first to be completed so all done. Would be good to ask faculties if they are using it and response from employers?
Updating of all study pathway documents	Belinda Kynaston	$10,000.00	No update.	$0.00	
Apprenticeship collateral for all areas	Belinda Kynaston	$5,000.00	Update as at 5/8/14. DL flyer copy finalised and sent to faculties for review 5.8.2014. Print approval pending	$0.00	• It was a DL flyer for apprenticeship, done
Workforce productivity (LLN) material	Belinda Kynaston	$5,000.00	Update as at 5/8/14 (RUReady postcard and bookmarks produced	$0.00	
Installation of digital signage at colleges	Belinda Kynaston	$75,000.00	Update as at 5/8/14. Rob advised that this was actioned by him	$146,950.00	• We are now working with DLE to use these for the information sessions
		$6,868,735.00		$6,998,488.00	

Variance -$129,753.00

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NSW TAFE: South Western Sydney Institute

ICT Services Review

May 2015

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TAFE SWSi

South Western Sydney Institute

Document Name:	SWSI TAFE ICT Review FINAL
Date Issued:	Thursday, 28 May 2015
Status:	FINAL
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1 Executive Summary

NSW TAFE South West Sydney Institute (SWSi) engaged Enosys Solutions Pty Ltd (Enosys) to undertake a review of the current state of ICT Systems to assess current ICT Services group's ability to support SWSi's changing business funding model under the new *Smart and Skilled*[1] funding model (the Review). This Report contains the results of that Review, and is broken up into the following sections:

- A Current State Review

- A Target State Definition

- A Gap Analysis

- A Detailed List of Recommendations; and

- A Prioritised Migration Plan.

Background

This Review takes place within the context, and against the background, of both broad concerns about the current and eventual costs of social entitlements (for example the latest Inter-generational Review) and the specific policy and funding changes impacting the TAFE sector in general and SWSi in particular.

The move to a more commercialised TAFE sector in NSW and the concomitant drives towards competition not only between the TAFE sector and private educational institutions and the universities, but between the TAFE Institutes themselves, must drive a shift in culture to a more agile, responsive and proactive Institute.

In addition to these shared pressures, there are many specific stresses unique to SWSi. Examples of these include the unique demographics of SWSi and the high preponderance of recent arrivals and non-native English speakers.

Business issues directly impacting SWSi stem largely from the change in funding model, government focus on jobs and costs, the growth in competition and the need to become agile and responsive.

In short, the current mantra, *Smart and Skilled* must translate directly into planning, outreach and the redesign of the model in which SWSi delivers education.

Review Themes

Our research has surfaced four themes immediately impacting the TAFE's operating model and the infrastructural changes required by the brave new world of competition and commercialisation.

These four themes are:

1. ICT Governance

2. Risk Management

3. ICT Service Definition and Catalogue

4. Benefits Management and Value Realisation

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[1] https://smartandskilled.nsw.gov.au/about

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Current State

The Review assesses that ICT Services is not capable of supporting the new operating model under *Smart and Skilled*. The current state of ICT Services is summarised as follows:

- SWSi business and ICT Services are not adequately aligned.

- An IT Strategy does not currently exist, with ICT services.

- Core application services delivered by ICT Services (such as Moodle, SWSi website, SharePoint and CRM) are currently running out of one data centre only and pose an inappropriate level of risk of impacting the SWSi business through extended outage.

- Additionally, if there is an outage to any of these core applications, infrastructure systems and plans to not exist to restore service to those applications and minimise outage. Business Continuity and Disaster Recovery planning is incomplete.

- ICT Services is highly focussed on technical operations, with a large reliance on IT services being delivered in-house.

- Visibility and understanding of the performance of IT services and projects is poor due to inadequate governance, processes and tools.

- Effectiveness of ICT Services is hampered by a number of staff in acting or temporary roles and staff undertaking roles that so not match their skills.

Target State Definition

The Review proposes a target state for ICT Services that is focussed on the delivery of services rather than the delivery of technology in the context of various political, economic, social and technological influences. This service focus and a refocus on the governance of IT shall embrace the CobiT and ITIL[2] industry-standard frameworks. In support of this, an IT Steering Group shall be responsible for the **governance** of ICT Services and ICT Services shall implement project portfolio management, service portfolio management and IT Architecture functions in support of their **management** function.

An important part of the proposed target state is a published catalogue of services provided by the ICT Services group. Services in this catalogue shall support requirements signed-off by business users and allow them to increase and decrease their consumption of these services in-line with movements in student enrolments. This will allow business users to better manage their IT costs to match fluctuating revenues experienced under *Smart and Skilled*.

AN IMPORTANT PART OF THE PROPOSED TARGET STATE IS A PUBLISHED CATALOGUE OF SERVICES PROVIDED BY THE ICT SERVICES GROUP. SERVICES IN THIS CATALOGUE SHALL SUPPORT REQUIREMENTS SIGNED-OFF BY BUSINESS USERS AND ALLOW THEM TO INCREASE AND DECREASE THEIR CONSUMPTION OF THESE SERVICES IN-LINE WITH MOVEMENTS IN STUDENT ENROLMENTS. THIS WILL ALLOW BUSINESS USERS TO BETTER MANAGE THEIR IT COSTS TO MATCH FLUCTUATING REVENUES EXPERIENCED UNDER SMART AND SKILLED.

This will make ICT Services operate more like a business in-support of the overall SWSi business.

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[2] ITIL, formerly known as the Information Technology Infrastructure Library, is a set of practices for IT service management (ITSM) that focuses on aligning IT services with the needs of business. https://www.axelos.com/best-practice-solutions/itil

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Gap Analysis

A Gap Analysis has been undertaken with an assessment of a subset of underlying ICT Governance sub-process utilising the CobiT[3] Capability Model.

Recommendations

Over 24 recommendations are proposed to assist SWSi transition to the Target State. These recommendations have been grouped into the following categories:

- Governance and Execution
- Aligning IT with the Business
- Financial Agility and Efficiency
- IT Resiliency

All of these recommendations are intended to be appropriate for an organisation the size of SWSi, achievable and consider the future operating model under *Smart and Skilled*.

Prioritised Migration Plan

A detailed Improvement Plan has been proposed to address the current state findings and risks identified. It is based on two streams, each of which contains improvement projects grouped into 6-month delivery blocks:

1. An *ICT Services Stream* that will mainly focus on shorter-term migration initiatives. These can generally be handled by the ICT Services in isolation (as part of the *Management function*).
2. A *Strategic Stream* that tries to address longer-term remedies including initiatives to improve governance that require the attention and cooperation of other SWSi groups outside of the ICT Services team alone (as part of the *Governance function*).

An examination of the Prioritised Migration Plan demonstrates that effective transition and strategic re-alignment of ICT Services to support the SWSi business adapt and succeed under *Smart and Skilled* is achievable with the close sponsorship and direction of senior management.

...EFFECTIVE TRANSITION AND STRATEGIC RE-ALIGNMENT OF ICT SERVICES TO SUPPORT THE SWSi BUSINESS ADAPT AND SUCCEED UNDER SMART AND SKILLED IS ACHIEVABLE ...

Not Covered by the Review

There are some themes that we have become aware of in relation to SWSi, but which do not fall within the scope of this project. Areas that would benefit from additional consideration include Organisational Change Management, Organisation Culture Development and, Organisational Design.

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[3] Control Objectives for Information and Related Technology (CobiT) v5. (http://www.isaca.org/Knowledge-Center/cobit/Pages/FAQ.aspx)

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2 Current State Review

The Current State Review takes an analytical look at current organisations, processes, and challenges, but does not delve into detailed findings or recommendations as these are covered in subsequent sections

2.1 Business Challenges

SWSi is currently experiencing varied external and internal business challenges. In particular, these include changes to Government funding models for the TAFE sector as well as internal organisational challenges following the NSW Government reforms under the 'Smart and Skilled' program.

Approximately one third of all Australians live in NSW, and one in five of them reside within the SWSi catchment. Forty percent of settlers newly arrived in Sydney choose South West Sydney as their home, and of these around two-fifths are from non-English speaking countries, and nearly half do not speak English at home. These changes in demographics introduce new challenges and opportunities for SWSi.

Business issues directly impacting SWSi include: the drive to improve completion rates, removal of duplicated effort and costs, achieving truly strategic engagement with industry and communities (i.e. moving away from 'pockets of engagement'), taking full account of prior learning and experience, and simplifying and clarifying the access routes and support mechanisms available.

Government concerns around educational outcomes jobs and costs drive the urgent need to promote SWSi's strategic intent at an executive level, into the administration sections/business units, and classrooms across the TAFE. This document focusses specifically on driving that strategic intent into the ICT area.

The implications of 'Smart and Skilled', affect the overall operating model, planning activities, focus of outreach work, and potentially the redesign of the entire educational delivery model.

Through our research, discussions, and workshops we have identified four key areas of concern. These have immediate consequences for the operating model, and those infrastructural changes required in the new world of competition and commercialisation.

These four key areas are:

1. Governance

2. Risk Management

3. ICT Service Definition and Catalogue

4. Benefits Management and Value Realisation

At the highest level, Governance provides the framework and processes by which strategic intent and delegated authority may be disseminated through the organisation and executed appropriately at each level. Our workshop respondents unanimously identified improved Governance as a priority for SWSi.

Following on from the Governance domain we identified Risk Management as the second area in which additional work is needed. Risk Management as a problematic theme was supported by all workshop participants in two essential streams.

Firstly the need to manage risk appropriately by ensuring that the risks were identified, their impact assessed, and the appropriate treatment (mitigation, avoidance, contingency etc.) put in place. Much of the strong feeling around this aspect stemmed from outages experienced in the recent past.

Curiously, beyond the 'standard' view of risk management as a preventative or protective practice, there was also a general appreciation that risk is a business issue pertaining to the businesses as a whole and not merely an exclusively ICT issue.. Workshop participants expressed the view that the assessment and management of risk should properly take place within the business. This was particularly well expressed with regards to the 'Smart and Skilled' initiative, and the pressing need for business to become more agile and more responsive to change and to demand.

The development of clear and detailed service definitions for all the main ICT services and bound together in a Service Catalogue for use across the entire organisation was widely supported. The issues that raised the demand for clear service definitions included:

- The need to identify who performs what function
- The need to identify who the owner of a service is technically
- The need to identify who the owner of a service is from a business point of view
- The need to identify the technical components that make up the services in question.

Above all else, however, was the urgent need to define and manage service levels to an agreed quality and reliability.

In summary, the definition of services in a catalogue would provide a common map and language for communication between ICT and business.

Our fourth theme is Benefits Management and Value Realisation; these can be seen as two sides of the same coin. These two approaches firstly enable the business and ICT jointly to align each significant spending decision to the needs of the business (Benefits Management) and then, as ICT projects develop and are completed, to evaluate the value returned to the business by the project (Value Realisation).

Beyond these four areas there lies a range of specific ICT challenges that were mentioned including: network capacity planning, identity management, use of collaboration tools such as SharePoint, CRM platforms Disaster Recovery and Business Continuity Planning). These further issues will be addressed as part of the Recommendations.

As part of this report Enosys has identified a number of additional themes that we believe would benefit from further analysis and consideration, but which do not fall within the scope of this project. Examples of these additional areas include culture change to meet the challenges of competition and the new funding model, Organisational Change Management to enable the necessary changes to be understood, implemented and broadly adopted, and, in terms of structure of SWSi overall, some reflection on Organisational Design would be of value

Current State Assessment

Looking at SWSi from an external perspective and focusing initially top-down from a business strategy and operating model point of view, there is a strong sense of an established institution, with well-developed and perhaps 'time honoured' ways of doing things. There is also a sense that it has been part of the Institution's evolution, culturally and organisationally to fit well into what has been a 'relatively' stable, slowly changing environment, where the pressures are known, the required outcomes understood, and the future is to some extent predictable even if not precisely known. In this respect, SWSi has been an organisation well fitted to its environment and able to deliver to well understood requirements.

That said, looking beyond this initial assessment we can review some of the main structures that emerged as areas experiencing some stress and requiring attention during our workshops / discussions.

2.1.1 Business and ICT Strategy Alignment

It is a truism that ICT strategy should align to business strategy, however, over extended periods of time it is common for ICT to develop its own programme of work, predicated upon internal upgrade and renewal cycles that have less and less to do with the strategic aims of the business than with the internal needs of IT. Establishing appropriate governance structures and processes will alleviate this natural tendency, however occasional one-off recalibration exercises are often needed to kick-start radical change.

It is likely that significant change in some areas of business strategy will be necessary to meet the changing challenges of competition for enrolments, new funding models and the implications of 'the Smart and Skilled' program. SWSi business strategy is currently being articulated at executive level within SWSi and we aim to take account of the outcomes of these deliberations in this review in due course.

At present, without the benefit of the detailed considerations embodied in the strategic plan, we can extrapolate some essential components of the required ICT strategy from the evidence we have at hand.

Firstly, competition drives sales and evolving marketing strategies, which in turn requires more flexible and responsive ICT processes. ICT systems typically impacted by competition include Customer Relationship Management (CRM) systems, and strong online presence management, which in the case of the further education sector may mean embracing or improving social media tools. Aside from outward facing service, client facing technologies such as reliable access to course specific software systems is vital. For instance, an example raised during workshops was the on-line travel agency software, Galileo, which provides a distinct competitive advantage when teaching travel and leisure classes. Galileo is subject to frequent outages due to network issues. These outages undermine the strategic and competitive advantage of having the online system in the first place.

If it is SWSi's strategic intent to innovate in the area of educational or curriculum related software then issues such as this will need to receive priority.

Slow, and occasionally erratic, responses from ICT and from ITD have been reported in workshop feedback. This affects control at a strategic level as it impedes the implementation of the strategic intent of the Institute. Regarding SWSi ICT support the feedback was generally favourable with regards to 'attitude', the support staff were found to be engaged and willing to help. That said, feedback in terms of support processes indicated a patchy, uneven, and unpredictable response with frequent procedural roadblocks that give rise to ad hoc arrangements, 'work-arounds,' and networks of private relationships.

The new funding model shifts payment criteria from the input cost end of the equation towards the outcome or output end. This is a fundamental shift in emphasis and will no doubt surface as changes in business strategy in due course. What we have learned from the outset is that issues such as completion rates, final scores, and excellence in matching students to courses are critically impacted by two crucial student requirements:

1. Community and industry outreach support for students (notably language support)
2. Enabling access via the accreditation of prior learning.

These are essential for the evolution of the Institute into a proactive, flexible, agile, and responsive organisation, and are particularly important given the specific demographics of the SWSi catchment.

The 'Smart and Skilled' initiative represents a sea-change in attitudes to educational outcomes, to the delivery of further education, and to the sorts of institution that government will support and fund going forward.

The full implications of 'Smart and Skilled' will require detailed consideration at the executive level, and an understanding that there are clear implications in terms of organisational culture, design, delivery model, and the governance/ risk / compliance stack.

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2.1.2 Operating Model

The Operating Model of an organisation can be described most simply as 'how we do things here'. Underlying this somewhat informal definition there are formal structures, processes, and roles, as well as informal practices (mentioned above) that may have emerged over time in areas where either there has been no direct oversight, or where formal processes have broken down or have become unwieldy and unresponsive.

The research undertaken by Enosys has revealed both formal and informal practices are in play at SWSi. In the area of ICT support a range of alternatives solution paths have been woven together based upon personal relationships, specific areas of expertise, and necessity. Traditional ICT operating models are still very much evident and are still by and large effective. For instance, budgetary control over ICT expenditure is evident at the core, with some sporadic informal processes arising in areas such as local wireless deployments and other smaller purchasing decisions.

There are significant operating issues emerging between SWSi and ITD, particularly in the areas of:

- Medium to long-term planning,
- Responsiveness within ITD to changes in SWSi's environment or business drivers
- The exact division of roles and responsibilities in various areas between ITD and SWSi.

Overarching these issues are the impending changes to the services offered by ITD over the next few years and the expected difficulties that will be experienced in synchronising and defining any hand over process and timeframe. It is not yet clear how, or to whom, ITD will hand over responsibility for shared services.

The current operating model is not fully documented in the area of ICT. Roles and responsibilities between ICT and the business and within ICT itself are not clearly elucidated, agreed upon or understood. A notable example of a mismatch in the ICT operating model has arisen between core ICT and the educational IT development team, ITEL. In this case there is overlap in the delineation of roles and responsibilities, as well as in development and implementation process and planning. This is an ongoing challenge that should be addressed by defining a formal framework and process for interaction to which both parties commit.

A significant mismatch in the ICT operating model has emerged in the definition of roles and responsibilities, development and implementation process and planning, between core ICT and the educational IT development team, ITEL.

This is an ongoing irritation that should be addressed by defining a formal framework and process for their interaction to which both parties commit.

2.1.3 Organisation and Culture

From the point of view of Organisational Culture and Culture Change, it is evident that SWSi has strong internal cultural ties, and that there is a distinct and tangible sense of belonging and commitment. At the same time there may be pockets of reticence, confusion or even cynicism resulting from lack of understanding of the changes to the broader environment, lack of clear communication, or a sense of disappointment or hopelessness in some individuals. We encountered very occasional instances of what might have been 'learned helplessness' in some quarters. This sense of helplessness often arises in relation to persistent technical issues. In our investigations clear evidence emerged that technical issues were not being addressed, or delegated to the 'too hard' basket. These are the areas where workarounds and informal processes inevitably emerge.

Since the current organisational culture did not evolve in an environment of rapid change it is predictable that some cultural change will be necessary to meet the demands of agility, responsiveness and commercially savvy competition that the new environment will demand.

The current organisational design has emerged over time in response to occasional major (e.g. introduction of Faculty of Foundation Skills), and more often minor, shifts in the environment. It is probable that an overall organisational redesign exercise would also be beneficial at some point.

In the short term the design of the ICT organisation would probably benefit from more immediate attention. Specifically areas such as roles and responsibilities, project teams, and support functions may need to be refined or even redefined.

2.1.4 Governance

The area of Governance, and to some extent those of Risk and Compliance were examined in an Enosys workshop. A corporate governance, as opposed to ICT governance, framework is in place and there are some defined processes surrounding that framework, such as calendared events. It is not the purpose of this review to examine corporate governance, except in order to understand the context in which to locate ICT governance.

However, ICT governance appears somewhat patchy with notable gaps. A specific area that emerged during the workshops was the issue of the integration between ITEL and ICT. Participants were of the opinion that the two teams should continue to be kept separate. Nevertheless, their interaction, and a mutual understanding of their roles and responsibilities via a joint planning and approvals process were seen as necessary to ensure their respective efficiency. Two areas that stand out as gaps in comparison to best practice are:

1. The absence of a standing ICT Steering Group having responsibility for resolving business issues that may arise in ICT projects, and for constituting an underlying ICT Architecture Committee, and
2. The absence of an ICT Architecture Committee, reporting to the ICT Steering Group, with responsibility for approving the enterprise architecture and roadmap, and resolving technical and IT architecture related issues.

There is currently no formal body or process for resolving architectural questions, and there is consequently a plethora of solutions and technologies emerging across the Institute that have never been formally appraised from a software architecture perspective. This gap gives rise to 'ad hoc-racy' when it comes to software selection and integration.

An example of how damaging this can be, and how important governance and specifically architectural governance is to the Institute is the recent implantation of an online application, 'EBS', in the educational sphere that consumes large amounts of scarce network bandwidth to the detriment of other users. It is not necessarily that the software is not a good choice for the desired educational outcome, but is has introduced a number of challenges for the network. It is essential that no new technology is deployed at SWSi without proper oversight and evaluation from an enterprise architecture point of view.

2.1.5 Risk and Compliance

As a result of the existence of corporate governance structures such as the Capital Asset Strategy Reference Group (CARG) and the active involvement of executives and senior managers, SWSi has in place a risk management capability in the area of ICT. The involvement of corporate governance in ICT issues tends to be cyclic and influenced by ICT crises or major investment decisions. At present ICT is governed within the Capital Asset Strategy Reference Group and does not have its own reference group. There is likely no great pressure within SWSi for the establishment of an ICT Reference Group and greater value may be had by expanding the work of the Capital Asset Strategy Reference Group, perhaps by way of a sub-committee, or additional ICT related meetings, to include a greater focus on ICT matters.

At a level below that of corporate governance it is clear that more could be done to improve ICT

governance. As mentioned, the area of Architecture and Project Management would benefit from more explicit governance structures and processes.

Beyond architecture and projects, there is a general misunderstanding of roles and responsibilities at all levels (sub corporate governance) and a general mismatch between business and ICT decision making. This is evident, for example, in the lack of serious risk assessment around some innovations and purchases and the absence of any application of the concept of risk appetite, i.e. a trade off in decision-making around risk between the business and ICT, as well as between risk and reward.

It is understood that public sector institutions are, and should be, constrained by strong probity and procurement rules, however it is also the case that those rules are applied differently in public corporations in contrast to government departments. Enosys makes no suggestion that probity or purchasing rules should be diluted, but what is suggested is that those rules may need to be revisited as the TAFE system moves into a more competitive environment. SWSi should ensure that Institute's culture and practices are kept in line with market pressures and that they comply with regulatory requirements. The important point being management of the tension between competition pressure and the regulatory environment. An important step is to begin by recognising the challenges, and recognising that such a tension exists.

In summary, risk management and compliance structures and processes must permeate throughout the organisation from top to bottom. To oversimplify the current situation - an annual funding round at board level, duly accompanied by governance, and risk and compliance activities, will not be sufficient to govern and manage ICT on a day to day basis in the evolving commercial environment.

2.1.6 Service Definition and Service Level Management

The ability for ICT and the business to plan from the same 'map' and to speak the same language is crucial for efficient and effective application of technology to the needs of the business. At present the various services provided by ICT are not comprehensively defined either in terms of a detailed definition of a service nor in the cataloguing of all services. As a result it is extremely difficult to answer questions such as 'What is the service level for this service?' or even 'Who owns this service?'

It would appear that not all services are catalogued, i.e. there is no comprehensive list of all ICT services. This means that ICT cannot say, and the business cannot know, exactly what ICT is doing, what services it offers, what resources they consume and so on. It also means that service levels cannot be set, metrics cannot be defined or measured and overall performance cannot be monitored.

It is essential to begin with, that at least the top ten services that the Institute relies upon are document and catalogued as soon as possible. The remaining services should be defined and catalogued in due course as a business-as-usual activity by ICT.

As the main services are catalogued each definition will enable a conversation to be had between ICT and the business to plan the future of that service, determine the appropriate metrics to measure performance, and the appropriate monitoring regime to monitor performance. This will, over time, lead to greater service quality, stability, performance, and to greater business trust in ICT as well as improved user experience. These things are essential to competing in a commercial environment.

2.1.7 Benefits Management and Value Realisation

Currently ICT investment decisions do not go through a formal Benefits Management process. This means that the expected benefit of the investment is never fully defined or quantified, and a measures and monitoring system are never put in place. Consequently the benefit of many ICT investments is understood anecdotally rather than by a tangible measure.

Having made the investment, and implemented the ICT system, there is no formal Value Realisation

process (predicated upon the earlier Benefits Management effort) by which the expected value can be ascertained, monitored, and reported back to executive decision makers. These gaps make it difficult to confirm the expected benefit of an investment and its fulfilment of business strategy or subsequently to measure and monitor the value returned.

There are many ICT investments that can and do return value, but which are in no way related to the strategy of the business, these are often ICT or enthusiast led investments. One of the roles of Benefits Management as a practice is to ensure that all investments are directly traceable back to strategic priorities. That way investment funds are correctly targeted, and the benefits are of strategic value.

Likewise, there are many investments having clearly defined strategic benefits which are never measured or monitored as they are implemented and rolled out, leaving the organisation without any reliable feedback as to the true value of the investment.

Both Benefits Management and Value Realisation practices are likely to be required by SWSi as the environment evolves.

2.1.8 Summary of Current-State of ICT Services

1. Business and IT Strategy is not aligned.

2. An IT strategy currently does not exist.

3. A number of staff within ICT Services is in an acting role. There is also a number of staff currently working in roles that do not adequately match their skills and competency.

4. With the exception of Marketing, there is little formal alignment and consultation between the SWSi business groups and ICT services. This is resulting in a reliance on personal relationships and hence a prioritisation of individual requirements over overall business requirements.

5. ICT Services is currently consolidating from nine computer rooms (data centres) down to three. These three computer rooms shall be at Bankstown, Granville and Wetherill Park.

6. ICT Services have an appropriate infrastructure platform at Granville and Bankstown but inadequate inter-data-centre connectivity is hampering ICT Services ability to fully utilise the assets at Granville in-particular as a secondary data centre.

7. Business Continuity and Disaster Recovery planning is incomplete. If the Bankstown computer room suffered an outage, ICT Services does not currently have a plan to address this.

8. Core systems delivered by ICT Services (Moodle, SWSi Website, SharePoint and CRM) are not implemented for high-availability. If the Bankstown data centre suffered a service outage, these core services would be unavailable to the SWSi business.

9. Current provision of Internet services via NSW DEC – ITD is hampering SWSi users requiring basic Internet services. This is due to a lack of throughput to the Internet at the ITD data centres and the constant requirement for (re)authentication from the ITD proxy servers.

10. ICT Services does not have a project management capability. This means that projects are not appropriately defined, do not have focus, suffer from lack or resourcing and do not have appropriate management of budget, risks, issues and dependencies and deadlines. Consequently, delivering important projects, including Moka5/Altiris and Monitor is heavily constrained.

11. IT procurement is focussed on purchasing components rather than outcomes. Often requirements are not formally documented nor developed with and signed-off by the SWSi

business user groups.

12. Historically there has been little or no leveraging of specialist third-party ICT service providers with a reliance on delivering IT-based services entirely in-house.

13. The Service Desk has a low level of maturity. This is characterised by ad hoc and informal arrangements and work-arounds, a heavy use of the service desk for user-training related issues, and an inability to accurately categorise and prioritise calls leading to poor management of SLA's.

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3 Target State Definition

3.1 Business Strategy and Operating Model

When it comes to defining the desired target state for an organisation as large and complex as SWSi, a combination of patience and prudence are required. Enosys has taken an approach of prioritising areas that we believe will deliver the largest return on investment in the shortest timeframes.

By prioritising a few major themes we focus resources, including management time on those areas that should be addressed first and foremost, leaving other areas, particularly those that have a dependency upon the early changes, to be addressed later.

We have selected four areas at the strategy and operating model level that we believe are most important in correcting existing fundamental issues, and then in setting a new course that better aligns to the emerging business strategy, environmental changes and unique SWSi challenges.

We have provided industry standard models, refined for the specifics of SWSi, as guidelines in each area. As there is a great deal of detail available in this area, we have placed some of the more detailed analysis and 'workings' into the appendices at the end of the document.

Below we will present and discuss each model in the context of SWSi and identify immediate and medium term changes suggested by applying the models to SWSi's specifics.

3.1.1 External Environmental Issues

The target state, or 'where we want to be' is beset by various external influences, constraints and demands, many emerging from Government priorities, with some from social or technological changes and innovations and others from developments in Australian and regional economies.

Political (Regulatory)	Economic
Smart & Skilled	Competition, Coopetition, Alliances
NSW Gov't strategies and standards	New competitors in education market
NSW gov't initiatives e.g. GovDC	New competing products (on-line, maybe mobile)
Changes in ITD and TAFE NSW	New Markets (Licensed Uni and business courses)
Social	**Technological**
Demographics of South West Sydney	Cloud (storage, compute power, increase and decrease usage on demand)
Access and Support, APL & Outreach	
Youth unemployment, Middle years skills enhancement, later years retraining	Bring your own device (BYOD)
	On-line education platforms
Retirement, the baby boomer bubble	Mobile platforms

Figure 1 – "PEST" Model

In order to summarise these external influences we present below a so-called Political, Economic, Social and Technological analysis (PEST) which helps to place our specific analysis of SWSi's target state within the broader context.

We will offer some commentary on each item identified in the PEST model.

Political

The overarching external environmental change impacting SWSi is the Smart & Skilled initiative. This will drive much, but not all, of the evolution of SWSi as an organisation.

Smart and Skilled is one of many NSW government initiatives, standards and strategies that will impact SWSi and to which SWSi will need to respond.

Other NSW Government initiatives include the GovDC centralised data centre initiative which, even if SWSi does not directly engage, will very likely become a future home of some ITD services. Other emerging initiatives include:

- A NSW Government risk framework based on the ISO 31000 standard[4],
- Information management and taxonomic standards which will directly impact data transfer and reporting.
- The centralisation of government CIO leadership and government initiatives such as the Government Sector Employment Act the Government Employee Number etc.
- The NSW Government ICT Strategy[5], including the ICT Investment Policy and Guidelines[6] initiatives to encourage agencies to procure 'as a service' module under the Procure IT Framework
- The NSW Government move towards using SFIA as the standard model for ICT skills.

ITD itself must change quickly if it is to remain relevant to *competing* TAFEs. There is a natural tension between **co-operating** in shared services where there is a mutual interest in so doing, and in **competing** in areas where TAFEs believes they can gain a competitive advantage. As educational software, particularly with respect to on-line delivered content, which is likely to be one of the battle grounds over the next few years, the role of ITD and how it manages its services and responds to TAFEs will be of some importance. It is vital to SWSi that the future of ITD becomes transparent and planned such that SWSi and other TAFEs can put in place appropriate and viable ICT strategies. At present the role and future responsibilities of TAFE NSW, particularly in relation to the services currently provided by ITD, are unclear and uncertain. SWSi needs to know what the future holds for TAFE NSW.

Economic

The whole area of economic competition, the understanding and pursuit of areas of coopetition, and the formation of new alliances, will exercise the minds of the SWSi executive team. The area of competition is probably the best understood, and may therefore be the area that most TAFEs will instinctively focus upon. Differentiation and providing excellent service to your own community and catchment will become an

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[4] TPP12-03b Risk Management Toolkit for NSW Public Sector Agencies: Volume 1
(http://www.treasury.nsw.gov.au/__data/assets/pdf_file/0019/22564/TPP12-
03B_Risk_Management_Toolkit_Vol1-Agency_Guide_dnd.pdf)
[5] NSW Government Digital+ 2014-15 ICT Strategy Update
(http://www.finance.nsw.gov.au/ict/resources/digital-2014-15-ict-strategy-update)
[6] NSW Government, ICT Investment Policy and Guidelines, February 2014
(http://www.finance.nsw.gov.au/ict/sites/default/files/NSW%20ICT%20Investment%20Policy%20and%20Gu
idelines_1.pdf)

increasing focus for management.

However, forming an early understanding of areas of potential coopetition and alliances may offer opportunities to side step an excessive focus on differentiation and enable SWSi to leverage ITD services more effectively, and to find new markets and new products/services earlier.

ITD or its successor must continue to offer shared services to NSW TAFE and it must be the case that these shared services, to the extent that they are shared, are potential areas of cooperation and cost cutting. A clear grasp of which services can and should be shared, and which offer potential for differentiation will be important. SWSi will not want to contribute towards the cost of a service that it does not want or need to use.

In regards to alliances, there are numerous private training organisations that offer commercial, regulatory or business qualifications that are not typically provided by the TAFE sector. If these private training organisations are new competitors moving into areas traditionally occupied by TAFE, then it is only reasonable for SWSi to examine new markets and the potential of forming alliances with regulators, the banking and finance sector, and so forth, in order to offer professionally accredited courses. In addition, SWSi could review its provision of 'overflow' or specialist education for the secondary schools sector, and particularly for the HSC.

In terms of differentiation, SWSi will no doubt examine new competing products, perhaps in the on-line, or mobile markets, both with a view to understanding the competition, and to understanding the opportunity to achieve differentiation by taking advantage of these new products and services for their own students.

Social

When attempting to differentiate services, it is essential to maintain a ready grasp of your market so as not unintentionally lose the confidence of your core customer base. Any differentiation should take into account the unique demographics of South West Sydney and should attempt to offer improved, more compelling, and more valuable services to this group. [Note. It is valid to differentiate into new markets as a conscious strategy, but it is best to avoid accidentally shifting away from your current customer base.]

In this regard, the areas of Access, Support, Accreditation of Prior Learning, and Outreach form the four sides of a strategy aimed not just at maximising the take up of SWSi services by the community, but also the successful completion of courses, and eventual move into employment or improvement current employment.

There are three sectors or age groups that particularly benefit from TAFE services. These are youth, given the excessive and growing levels of youth unemployment, the middle years where employees return to gain enhanced skills, and the more mature clients wishing to refresh or retrain in order to change their life trajectory at that point.

Finally there is a potential market in the growing area of retirement, triggered by the baby boomer bubble which is prevalent across Australia.

Technological

The most obvious, but not the most obviously useful, current technology trend is in 'Cloud' computing. This term, from a consumer's point of view, includes any online service whether its underlying server base is in 'the cloud' or not. Whether a service is or is not actually cloud based remains an important question in terms of understanding service levels, availability and the robustness of the service being offered.

The most immediately accessible areas, where advantage can be gained from cloud services, are in data storage and variable compute capacity. These areas offer improved disaster recovery and business continuity planning. Cloud platforms also provide the functionality to 'burst' or to be elastic in order to meet

the growing and shrinking demands placed on them.

For SWSi, we envisage early review of cloud storage and re-platforming some applications to genuine, Australian base, cloud service providers. We will recommend a planning workshop to review your top ten ICT Services from a potential re-platforming point of view.

Bring your own device (BYOD) has become a mantra of modern IT departments, and if done well can enhance user experience and significantly reduce costs. SWSi has made significant moves in this direction and we envisage further extension and refinement of the BYOD offer to students and faculty in due course. We will be making recommendations in this area.

There is an increasing prevalence in on-line training, and much of it (or of the content at least) is free. This is a significant environmental fact that cannot be ignored and must be dealt with. The key four differentiators for an educational establishment with regard to the availability of free online content are:

Quality of Education – It is essential to establish beyond all doubt that the quality of education at SWSi is of the very highest international standard. Technological support for this aim can be provided by demonstrably excellent networks, educational software, (competitive) admissions, student management software, support for BYOD, access to streamed video and other online course content at any time, student centred access, linguistic and cultural support in software and so on. It is important that ICT increase and improves its contribution in this area. We will be making recommendations as to how this can be done.

Value of Accreditation – As content is often free, it is essential to project and protect the value of formal accreditation. Obviously ICT can contribute to this by providing excellent support for content management and website access to proof points that show the practical value of formal accreditation both in general and on a course-by-course basis.

Excellence of educational outcomes – It is important to show that accessing content via a formal training programme leads to improved, ideally excellent, educational outcomes. This can be shown in completion rates, number and proportion of passes, and average final marks. The role of ICT in this is to support faculty staff by providing excellent educational software, networks, BYOD, and by supporting the informational and marketing activities of the Institute in promoting these values. We will be making recommendations around these matters.

Excellence of post educational outcomes – It is also important to track final outcomes, the ultimate purpose for many people of the education they undertake – how did they get on? How soon did they find work, or improve their position? ICT can support this aim by providing access to student alumni, post educational access to course materials, and social media for current and past students to provide feedback and commentary. This will encourage an ongoing relationship with the past and present student body and thus track outcomes more effectively. We will make some recommendations in support of ICT's contribution in this area.

3.1.2 Governance

The diagram below was workshopped with SWSi and found to be a useful approach to defining the relationships between the following desires:

1. Strategy / Operational Model and the appropriate ICT response and behaviours.
2. Governance Policy and the ICT governance mechanisms
3. Business performance goals and the relevant ICT metrics and accountabilities

The model also shows how desired Strategy and Operational Models determine desired governance policy and how governance in turn determines performance goals.

This model should be filled out in future workshops with appropriate detail under each of the six segments. This will lay the foundation for planned, integrated governance from the Capital Asset Strategy Reference

Group, continuously down through to the ICT organisation and the sections and business units.

The target state should also have a duly convened Business Steering Group and Architecture Committee comprised of administration, academics and ICT staff.

- The purpose of the Steering Group is to handle business related issues arising from time to time from ICT projects.
- The purpose of the Architectural committee is to manage day-to-day ICT issues and enforce architectural standards across the Institute.
- The committee refers issues as necessary to the Steering Group, which itself refers matters as necessary to the Capital Asset Strategy Reference Group.
- This reference group may elect to convene a sub-committee to handle these tasks.

As is shown in the diagram, the target state will also include formal provision for projects in the form a Project/Service Portfolio Management applied as appropriate to the needs of the Institute. There may need to be some kind of formal projects group, potentially a Program Management Office (PMO) function, in order both to manage the portfolio of projects, and also to deliver each individual project. Where 'business as usual' (BAU) staff effort is required, this will need to quantified and agreed ahead of time.
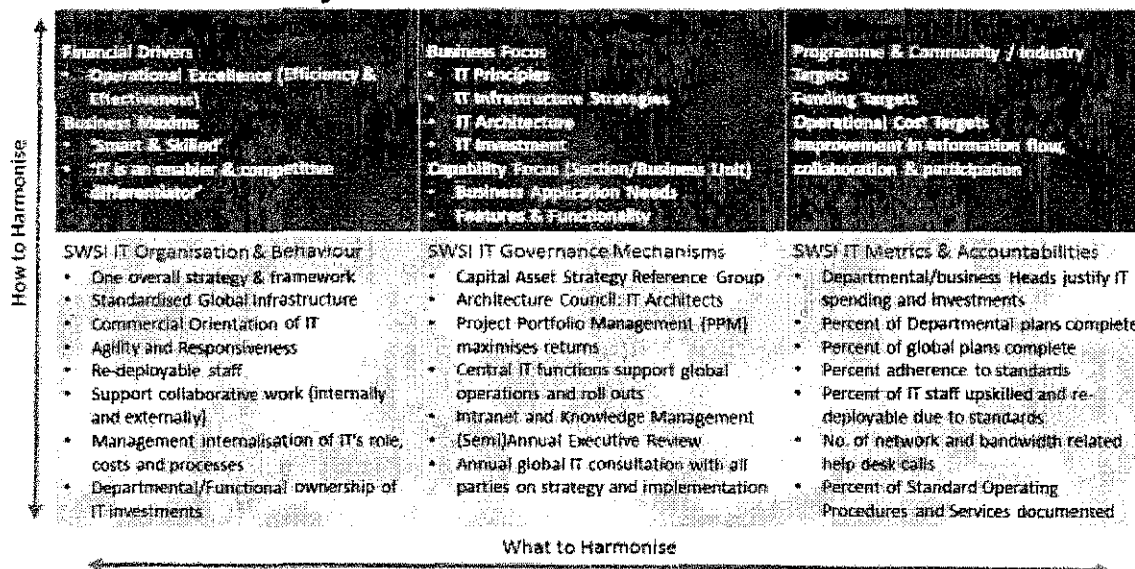

Figure 2 – Draft Governance Framework

Governance is at the core of command and control; it is how executive intent is conveyed to managers and ultimately the means by which risk is managed and compliance is ensured.

A fundamental principle of governance is the separation of governance and management functions and processes. The diagram below calls highlights this principle.

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> ## Governance of ICT Services
>
> *Governance ensures that stakeholder needs, conditions and options are evaluated to determine balanced, agreed-on enterprise objectives to be achieved; setting direction through prioritisation and decision making; and monitoring performance and compliance against agreed-on direction and objectives.*

> *Management plans, builds, runs and monitors activities in alignment with the direction set by the governance body to achieve the enterprise objectives.*
>
> ## Management of ICT Services

Source: COBIT 5

Figure 3 – Governance vs Management based on CobiT 5

We recommend the application of the CobiT 5[7] model to ICT governance as set out in the diagram below. Our later Gap Analysis section is based upon these concepts. The purpose of COBIT is to provide management and business process owners with an information technology (IT) governance model that helps in delivering value from IT and understanding and managing the risks associated with IT. CobiT helps bridge the gaps amongst business requirements, control needs and technical issues. It is a control model to meet the needs of IT governance and ensure the integrity of information and information systems.
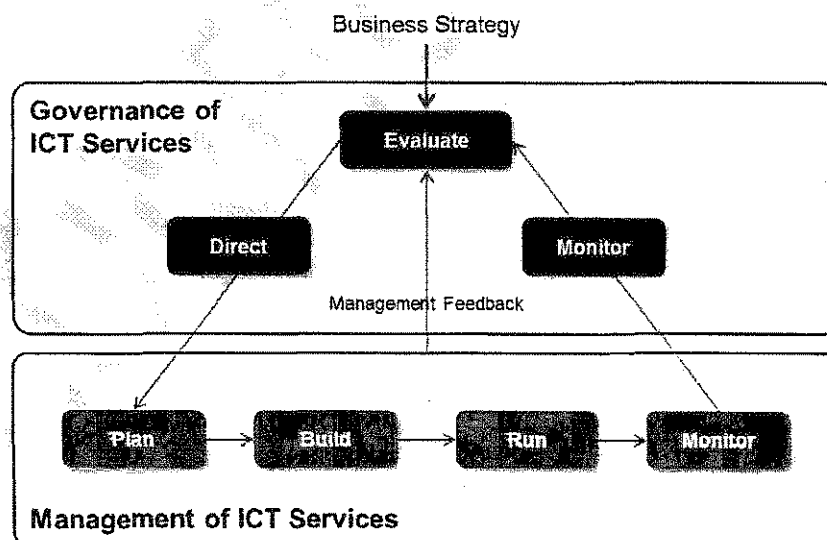

Figure 4 – Governance and Management Key Areas based on CobiT 5

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[7] Control Objectives for Information and Related Technology (CobiT) v5. (http://www.isaca.org/Knowledge-Center/cobit/Pages/FAQ.aspx)

Figure 5, below suggests a possible governance and management framework for SWSi. The model will need to be refined and developed in consultation with the SWSi executive in due course.

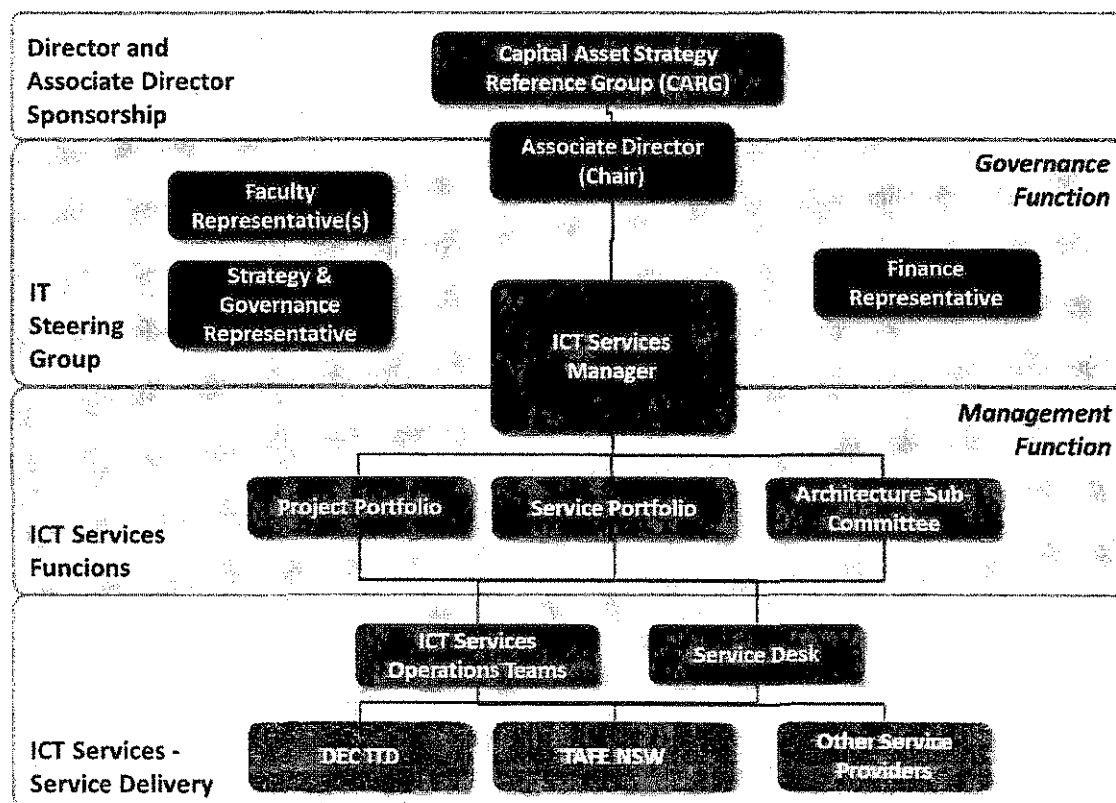## SWSi - Governance and Management of ICT Services

Figure 5 - Potential SWSi Governance Structure based on CobiT 5

Strategy Alignment

During Enosys' investigation it was found that good **business to ICT alignment** at the highest levels of decision making particularly for the larger spending decisions occurred. At board and executive level, processes are in place and working. However, the alignment between ICT spending and business strategy at lower levels of the organisation and for smaller spending decisions appears to become more and more tenuous as the distance between the decision maker and Board increases.

There is a need for a simple technique by which tactical decisions can be checked and validated against SWSi's business objectives and strategy. Our recommendation is to use the 'Objective/Strategy/Tactics' or OST approach to validating tactical decisions. This process is so simple that we hesitate to call it a 'model', it is more like a mnemonic, and it works like this: for illustrative purposes we assume the following statements represent SWSi's Business objectives and Strategy:

Objective – SWSi will thrive and grow in the new world of *Smart and Skilled.*

Strategy – SWSi will achieve this goal by becoming increasingly agile and responsive to the market.

Tactic – In order to further these goals in, say, the cafeteria area, we will proactively seek the views of our

customers as to the product and services we deliver and we will improve our menu in a manner which is responsive and respectful to our customers' needs.

This simple approach helps to align tactical decisions back to the main goals of the organisation and reveals if a decision is off track.

3.1.3 Risk Management and Compliance

The International Standards Organisation (ISO) recently adopted the previous Australian Risk Management standard as ISO 31000. This standard can be applied as rigorously or as lightly as necessary.

The three sections below set out the main points of the standard in a set of principles for a risk framework and a risk management process. We will address each of these in turn.

Risk Management Principles

The ISO 31000 standard defines the following eleven (11) principles which inform and determine how ICT Risk Management may be applied at SWSi,

These principles are:

1. Create and protect value
2. Based upon the best available information
3. Forms an integral part of the organisation's processes
4. Is tailored to the organisation's needs
5. Is an intrinsic part of decision making
6. Takes human and cultural factors into account
7. Explicitly addresses uncertainty
8. Is transparent and inclusive
9. Is Systematic, structured and timely
10. Is dynamic, iterative and responsive to change
11. Facilitates continual improvement of the organisation

All the principles set out above are important, however in terms of the desired state the focus should be on:

- Ensuring the framework and process form an integral part of SWSi's processes;
- Tailoring the framework and process to the specifics of SWSi;, and
- Ensuring that risk management is an intrinsic part of decision making at all levels.

Having said that, all the other principles should be adhered to and will be reviewed in due course.

Our recommendations will focus on building Risk Management compliant with the ISO 31000 standard into SWSi's process for ICT. We do not recommend seeking formal ISO 31000 certification at this point.

Risk Management Framework

The ISO31000 risk management framework defines the following key steps:

1. Obtain a mandate and commitment from the organisation to drive risk management into the specified area.
    a. For the target state we will seek a formal mandate to implement the ICT Steering Group and the ICT Architecture committee mentioned elsewhere in this document.
    b. We will recommend the formal review and management of ICT risks between these two layers of decision making, always allowing for specific issues to be raised to the Capital Finance Strategy Reference Group or even the SWSi board if required.
2. Design the framework for managing risk in line with the principles but taking into account the specifics of SWSi's organisation and risk profile.
3. Implementing the risk management framework will require:

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a. Establishment of the appropriate bodies (see 1.a above)
b. Workshopping the Risk Framework
c. Obtaining signoff for the risk framework
d. Training staff in the application of the risk framework
4. Monitoring and review of the risk framework
a. We will recommend formal quarterly review of the ICT Steering Group's risk work by the Capital Finance Strategy Reference Group, and monthly of the ICT Architecture committee by the ICT Steering group.
5. On an annual basis we will recommend a continual improvement review of risk management.

We recommend that the principles set out above be embodied in the governance framework. Each component of the framework needs to be workshopped and documented prior to implementation. Implementing the framework and processes is where the rubber hits the road. This is a detailed organisational effort to build the correct structure and processes directly into the normal everyday functioning of the organisation.

At the same time as the risk management framework is defined and implemented, the associated risk management process must also be defined and implemented.

The framework defines the structural elements required to manage risk, whereas the process defines how that structure will be put to work. The risk process itself is described below.

1. Establish the risk context, is an annual activity which includes defining and understanding SWSi's risk appetite and how decision rights will be delegated from the Board down through the organisational structures set out in the framework. Establishing the context also includes compiling a high level categorisation of the types of risk and areas of uncertainty impacting the TAFE.
2. The next step in the process is to carry out the risk assessment itself. This is an iterative process which occurs more often that establishing the context, typically monthly at the ICT Architecture Committee level.
3. Within the risk assessment there are three sub-steps.
   • Risk identification in which potential risks are surfaced and documented. This process can often throw up a number of minor risks that do not warrant formal management. These minor risks will be discarded through the application of the process.
   • Risk analysis is where each risk is assessed in terms of its likelihood, potential impact and, where relevant (e.g. in potential social media risks), its likely speed of development. [Note. Social media risks are notorious for arising suddenly and unexpectedly, growing exponentially quickly, and spreading very widely, leading to disproportionate reputational and other risks.]
   • Risk evaluation is where risks analysis moves into the formal determination of a treatment regime. Minor risks identified as such at this point will be noted but removed from the actively managed risk register. During evaluation the risk is given a formal position in the risk matrix.
   • The next step is to formally apply the appropriate treatment such as - Avoidance, Insurance, Mitigation and Contingency etc.
   • A continuing monitoring function is carried out at risk meeting on, say, a quarterly basis to ensure that the process is running well and is delivering the reduced risk and management of uncertainty the SWSi requires.
   • In addition to the monitoring function there is a constant process of communication and consultation with the business and with the ICT Steering Group as required.

We recommend the implementation of an appropriate risk process such as that set out above to work in line with the principles and framework already discussed.

This is a summary of the basic risk management principle, framework and process.

We recommend that risk management consistent with ISO 31000, be implemented across the ICT function.

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It will need to be refined and made directly applicable to the specifics of SWSi. There is a significant organisational change management aspect to this effort – it is not just a technical exercise for risk professionals.

3.1.4 ICT Service Definition and Catalogue

In the target state SWSi will have a defined service catalogue and for each service, a defined service description.

The catalogue will be structured into general categories such as:

- Business Services
- Personal computing Services
- Central IT Services
- Communications Services, and
- Professional Services

Each of these categories will then be broken down into underlying component services such as:

Business Services

- Email
- Office automation applications
- WEB Services
- SAP Services
- Finance Applications
- HR Applications
- Business Processes

In this way an overall catalogue of services will be compiled which can form the basis of conversations within ICT, and between ICT and the business and external vendors.

This is essentially a business document not a technical document. The business often sees the catalogue as menu of choices.

We recommend the development and implementation of a Service Catalogue

Service Definition

Underlying each component service there will be a detailed service description known as a service definition.

The Service definition is more technical and detailed than the catalogue but is still a very useful business document. Often there will be a business section and a technical section to allow for the specific requirements of both communities.

The service definition will address questions such as:

Question 1: What is it, and how do I get it? (Service Description)

Service summary

- Features & Functions
- Service Request Process
- Availability, Metrics & Statistics

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Question 2: How do I get help? How do I use the service? (Help and Self-Service)

- Getting Help
- Self-Service Support

Question 3: What Does It Cost? (Service Cost and Pricing)

- Actual costs of services identified by Business Services

Question 4: How does ITS support this service? (Service Support)

- Eligibility for service
- Clients and services affected by changes to this service
- Escalation process
- Documentation and Training for Support

Question 5: How does ITC provide this service? (Service Delivery)

- Technical Specifications
- Technical Service Delivery Documentation
- Service Level Agreement (SLA)
- Operating Level Agreement (OLA)
- Production Support / Operational Processes
- Capacity Management

We recommend the development and implementation of detailed service definitions for the top ten or so SWSi ICT Services.

3.1.5 Benefits Management and Value Realisation

Applying the benefits management model will require some training for both ICT and business staff. This is not necessarily an onerous process to apply however it does require the active participation of the business and ICT.

Set out below are the basic steps used in benefits management:

The process is cyclic, choosing a starting point is therefore somewhat arbitrary. For the purposes of this discussion we will start with the step of identifying and structuring benefits.

1. Identifying and structuring benefits. This begins the formal process of understanding what the potential benefits of the project are, and in aligning those benefits with the strategy of the organisation. There is a detailed formal process by which the analysis is done and the linkage between the specified change, the expected benefits, and the strategy of the business is documented and formalised. Benefits which do not link to strategic requirements are noted but do not form part of the justification or ongoing monitoring for the purposes of benefits management. Non-strategic benefits may be monitored and measured for other purposes.
2. The next step is planning the realisation of the identified strategic benefits. How these benefits be realised? Specifically what must happen to ensure that these benefits flow?
3. Execute the benefits plan. This is a process of putting in place the measurement and monitoring features needed to manage the specified benefits. This is different from implementing the project, which is obviously essential but which is an enabler of benefits management since it is the project that delivers the product or service from which SWSi will derive benefit.
4. Reviewing the benefits management process and evaluating results has two parts to it. First is the process of improving benefits management, and second is the process of seeking improvements to

the existing benefits, i.e. driving a greater return from the project.

5. Finally, a review of new benefits and evaluation of the potential for deriving further benefits from the project.

We recommend the implementation of a formal benefits management process as part of every new project over a threshold value. The threshold value, as well as the application of benefits management to SWSi, will have to be workshopped. In addition there will be a requirement for staff training and for leadership in the use of the technique to begin with.

3.1.6 Value Realisation

Value realisation is the 'flip side' of benefits management. Whereas benefits management is focussed at the outset of the project, value realisation starts once the project is delivered. Similar to that of benefits management, value realisation is also planned up front prior to project kick-off. It is often positioned as part of the Organisational Change Management (OCM) of the business change, and consequent ICT project.

This is because value realisation requires adoption and productive use of the business change. For example in order to realise value from a new social media platform, people would have to use it. OCM is often the approach taken to ensure that people understand the change, are not resistant to it, are willing to participate in the change and therefore, that value is realised from it.

We recommend a workshop on value realisation followed by the implementation of value realisation as a practice within SWSi.

3.2 ICT Services Future-State Characteristics

SWSi ICT Services as a Service Provider

SWSi should become a true service provider. Execute on the Management Function

3.2.1 More Elastic Delivery of ICT Services and Management of Costs

One of the key Target State objectives of this report is for SWSi to best position itself to be able to elastically respond to changes in student enrolments and revenues and to be able to better manage their ICT costs in the face of a changing, more competitive environment under *Smart and Skilled*.

Up until now, SWSi's funding or revenue model as well as its ICT cost profile has been largely linear, with marginal increases year-on-year to allow for growth and increase costs in delivering education.

Under Smart and Skilled, ICT Services will need to be able to cater for a more volatile enrolment (and therefore revenue) profile by being able to scale-up and scale back the delivery of IT Services (and therefore costs). This is illustrated below in *Figure 6 – Target vs Current State Profile of IT Costs.*
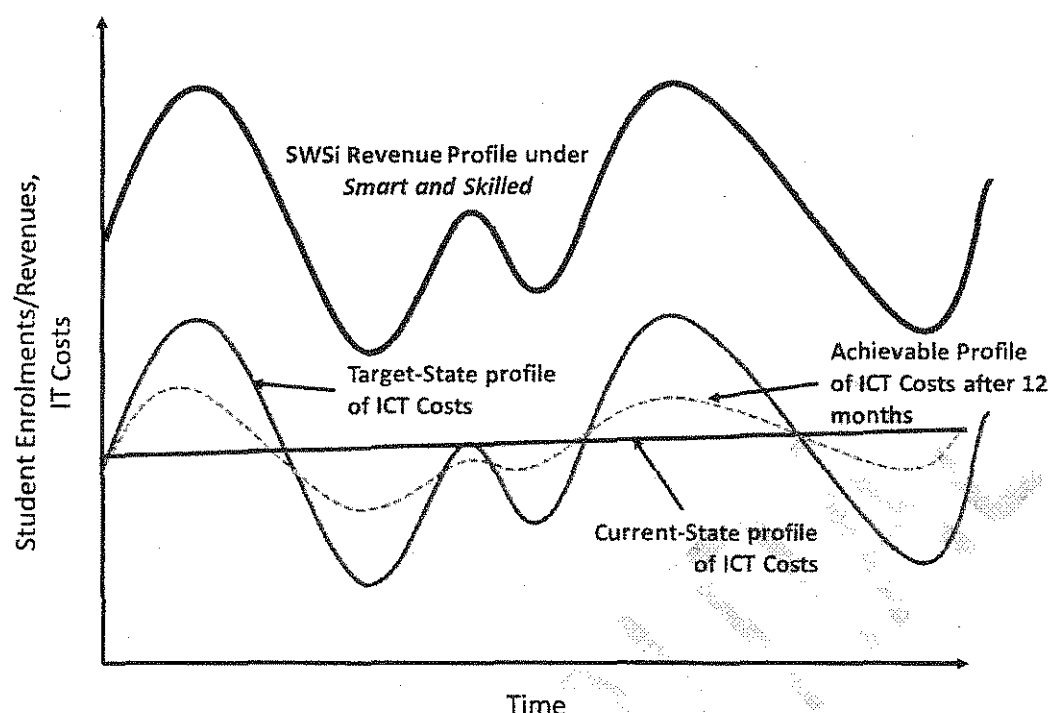
Figure 6 – Target vs Current State Profile of IT Costs

Currently, a large proportion of ICT costs are classed as fixed costs with an overhead charged-back to the Faculties and various SWSi business units. SWSi will need to review all fixed costs and reclassify them as variable where possible. This will provide faculties and business units to have a better understanding of what ICT costs are currently charged back to them as fixed overheads.

Additionally, once key ICT services (such as Moodle, SharePoint, desktop and other basic IT services) have been documented and signed-off as defined, costed service catalogue items, SWSi business units will consequently be in a better position to reassess the consumption of these services against their requirements and be able to scale-up and scale-back their consumption of these services in the face of their changing demands under *Smart and Skilled*.

3.2.2 Focus on Strategic IT Services

ICT Services should focus its limited resources on those IT services that deliver educational outcomes and assist the SWSi business compete in the market for higher education services.

Currently ICT Services is suffering under the strain of internal delivery of many of the services it provides to the SWSi business. This includes the delivery of non-core services that do not differentiate SWSi from its competitors or of commoditised IT services that could be more efficiently delivered by third-party service providers.

ICT Services should propose to the IT Steering group a list of services that is considered core or strategic to the SWSi business and will differentiate it from its competitors. For these services, the IT Steering Group needs to develop a strategic plan within its IT Strategy. For all other services, ICT Services should consider a range of options for the most efficient delivery of those services in-keeping with a proposed framework around benefits management and value realisation.

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Consideration of Alternative Methods of Service Delivery

This may include internal delivery, delivery from specialist third party service providers, or a combination of both. At the moment ICT Services is being reactive in its delivery of IT services and an important factor contributing to this is the complete reliance on internal delivery for all IT services irrespective of its strategic value to the business

It must be noted that there will likely be resistance from some SWSi users where provision of commodity IT services is transferred to more efficient third-party service providers. This is entirely understandable where users have been used to a certain status quo for a long period of time. The IT Steering Group needs to ensure that its focus remains on its IT Strategy and supporting the SWSi business under the transition to *Smart and Skilled*.

3.2.3 Service Delivery Focus

Importantly, if a service is delivered via a third-party, ICT Services is still responsible for the provision of that service to the IT Steering Group. In many instances where third-party services are procured, they will be a component or subset of other turnkey services. In this environment, ICT Services shifts from its current operational-level focus of components, inputs and the day-to-day activities associated with "keeping the lights on" to one where it proposes, defines, constructs, manages and enhances IT services in-line with the direction set by the IT Steering Group. This is illustrated below.

The transformation of ICT Services from its current Operational focus to a Service focus shall have several key elements:

- Transformation to a Service Focus is a strategic initiative at the SWSi business level – not a tactical initiative within ICT Service alone.

- Migration to a Service Focus is a journey – not a "big bang".

- This journey involves people, process, and technology underpinned by a governance framework.

- The Journey shall addresses existing pain points and areas for longer term transformation

- Embraces heterogeneity - leveraging existing "investments" rather than "rip and replace".

- Shall require a collaborative approach with business users, stakeholder groups such as TAFE NSW and delivery partners such as DEC-ITD.
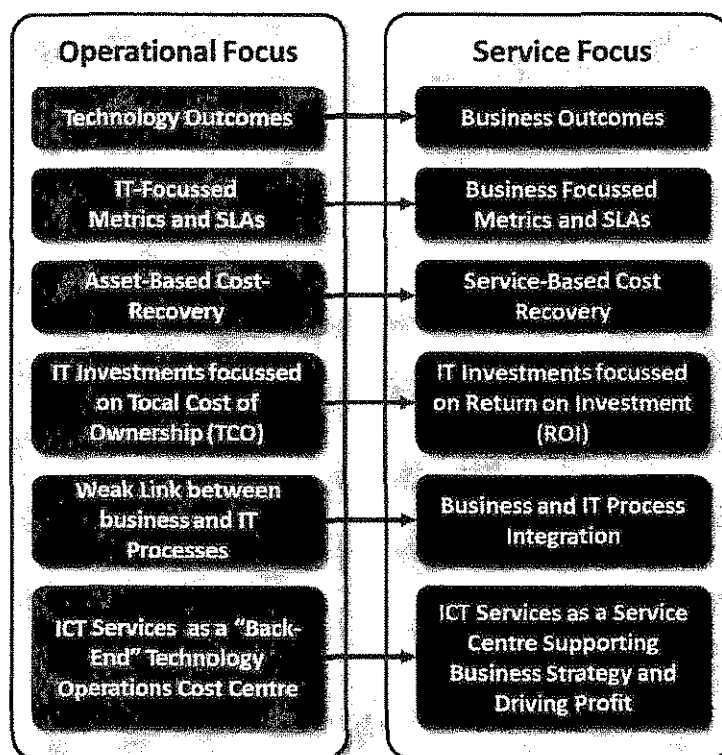
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Operational Focus	Service Focus
Technology Outcomes	Business Outcomes
IT-Focussed Metrics and SLAs	Business Focussed Metrics and SLAs
Asset-Based Cost-Recovery	Service-Based Cost Recovery
IT investments focussed on Total Cost of Ownership (TCO)	IT investments focussed on Return on Investment (ROI)
Weak Link between business and IT Processes	Business and IT Process Integration
ICT Services as a "Back-End" Technology Operations Cost Centre	ICT Services as a Service Centre Supporting Business Strategy and Driving Profit

Figure 7 – Journey from an Operational Focus to a Service Focus

Whilst this is achievable, it will require a considerable level of transition and change from the current state and is addressed in a number of the proposed Recommendations and Prioritised Migration Plan.

Formalise Internal and External Relationships

There is a need to formalise the relationships the Institute wishes to maintain internally and between itself and external bodies, whether with TAFE NSW, ITD, vendors or commercial partners. The explicit definition and management of relationships will be of increasing importance / commercial value in the years ahead.

The Management of Relationships relates also to the support function, dealing between faculty and ICT, and dealing between application developers and infrastructure managers. There is a cultural and change management issue implicit in the current ad hoc arrangements and use of personal relationships to circumvent the ICT support process or simply to make it work. Formal responsibility matrices and processes need to be developed or reiterated. In addition there is a conversation to be had with ITD regarding support now and the evolution of services in the future and the provision of services in a competitive, agile and responsive world – less than a year away.

4 Gap Analysis

4.1 Gap Analysis of SWSi ICT Governance Capability

The gap analysis outlined below will focus in greatest detail on ICT governance and the alignment of ICT strategy to business strategy. We undertake a Gap Analysis for each of the underlying ICT Governance sub-process utilising the CobiT Capability Model.

At the end of this section a summary heat map presenting Enosys' analysis of the capability of the areas we have discussed is presented.

SWSi Governance and Strategy Alignment

In this section we examine gaps in SWSi's process capability across various domains. For the purposes of this report we will not cover off all areas in detail but focus instead on the areas we see as being most important to SWSi at this juncture. Later in this section we review specific technical gaps, for example in network or other infrastructure.

We have applied the CobiT 5 governance and strategy model as our framework in a general sense across this documents. We use CobiT because it is an established (currently V5) and comprehensive model and framework widely used throughout the industry. This means that it is reliable and understood, training courses are easily available to staff and market resources will be available for hire in future.
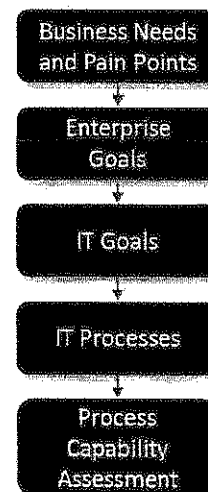
Section Organisation

The discussion in this section is organised hierarchically, starting with:

1. **The key business pain points and business needs that we have identified.**
2. **Mapping pain points and needs to the CobiT 5 Enterprise Goals.**
3. **Aligning the CobiT 5 IT Goals to the selected Enterprise Goals.**
4. **Then mapping the relevant IT goals to specific CobiT 5 IT Process.**
5. **And finally evaluating those processes using the CobiT 5 Capability Model.**

In this way SWSi's is able to align the specific IT remediation tasks Enosys recommends directly back to the IT processes they relate to, the IT goals that we wish to achieve, and the Enterprise Goals and pain points that drove our selection in the first place.

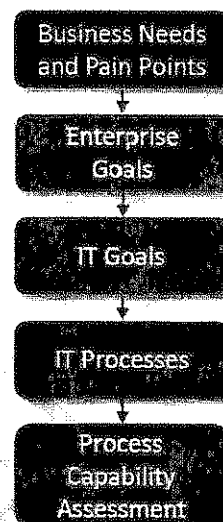This makes our results transparent and open to validation.

4.2 SWSi Business Needs and Pain Points

Throughout our meetings, workshops and focus sessions that were carried out during this engagement Enosys has identified a number of business needs and pain points, this next section works to express the business needs and pain points we have identified as questions in need of an answer. The items are prioritised as follows:

1. How does SWSi improve business agility in response to *Smart and Skilled* through a more flexible IT environment?

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2. Do IT projects fail to deliver what they promised – and if so, why?
   a. Is IT standing in the way of executing the business strategy?
   b. Is the SWSi business providing adequate direction to ICT Services?
3. How critical is IT to sustaining the enterprise? What does SWSi do if it's not available?
4. What concrete vital primary business processes are dependent upon IT?
5. How much of the IT effort goes to 'fighting fires' rather than enabling business improvements?
6. Are sufficient IT resources and infrastructure available to meet the required enterprise strategic objectives?
7. How does SWSi get value from the use of IT? Are end users satisfied with the quality of the IT service?
8. How should SWSi manage the performance of IT?
9. How does SWSi best build and structure the IT department?
10. Does SWSi address all IT related risks?
11. Does SWSi run an efficient and resilient IT operation?
12. How can SWSi control the cost of IT? How can IT resources be used in the most efficient and effective manner? What are the most efficient and effective sourcing options?
13. Does SWSi have enough people for IT? How should people's skills be developed and maintained, and how should their performance be managed?
14. How dependent is SWSi on external providers? How well are outsourcing agreements being managed? How does SWSi maintain assurance and governance over external providers?
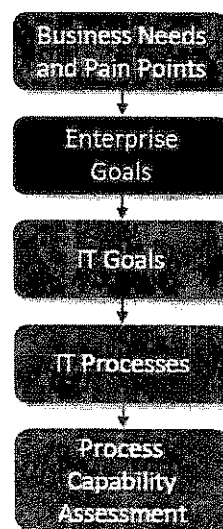
4.3 SWSi Enterprise Goals

We have mapped these needs and pain points across the seventeen CobiT 5 standardised Enterprise Goals. The enterprise goals are presented in what we believe is the appropriate priority order below. *We envisage that the top five enterprise goals will be the focus of effort in the short to medium term as resolving issues in these areas will enable the fulfilment of other enterprise goals in due course.* The remaining enterprise goals will need to be addressed in due course according to their priority going forward.

Enterprise Goals:

1. Agile responses to changing business environment
2. Business service availability and continuity
3. Skilled and motivated people
4. Optimisation of service delivery costs
5. Operational and staff productivity
6. Product and business innovation culture
7. Customer oriented culture
8. The need for a portfolio of competitive products and services
9. Optimisation of business process costs
10. Managed Business change programmes
11. Achieving stakeholder value for business investments
12. Optimisation of business process functionality
13. Managed business risk and safeguarding of assets
14. Information based strategic decision making
15. Compliance with internal policies

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16. Compliance with external laws and regulations
17. Financial Transparency

These five top enterprise goals map back to a balanced score card approach as follows:

Customer Dimension

- Agile responses to business change
- Business service continuity and availability
- Optimisation of service delivery costs

Internal Dimension

- Operational and staff productivity
- Learning and Growth Dimension

Financial Dimension

- The financial dimension is not a focus at this time

Learning & Growth Dimension
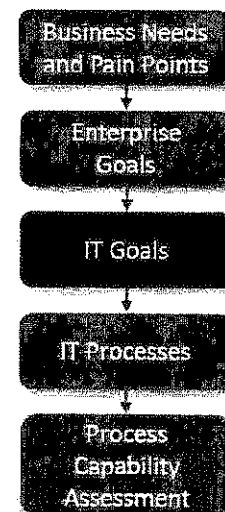
- Skilled and motivated people

4.4 Mapping Enterprise Goals to IT Goals

In the section below we will map our Selected Enterprise Goals to the relevant IT goals. This will enable us then to identify the specific IT processes that impact the IT goal, and thus to evaluate IT's capability to meet the precise IT goals which most impact the enterprise goals.

[We apply CobiT 5 coding to uniquely identify each element and allow traceability back to the CobiT 5 model]

In the paragraphs that follow we have used (P) and (S) to identify Primary and Secondary goals. Primary goals must be attended to as a matter of priority, but secondary goals can be viewed as a lower priority in the short term.

The mapping of Enterprise Goals to IT Goals is a step towards identifying specific business processes that drive success or failure of the overall Business Strategy and provides validation and traceability at each step back to the pain points and needs of the enterprise.

EG08 - Agile responses to business change

This enterprise goal maps to the following primary CobiT 5 IT Goals:

- ITG01 – Alignment of IT and Business Strategy – Primary Goal (P)
- ITG03 – Commitment of executive management to making IT related decisions – Secondary Goal (S)
- ITG04 – Managed IT-related business risk (S)
- ITG05 – Realised benefits form IT-enabled investments and services portfolio (S)
- ITG07 – Delivery of IT Services in line with business requirements (P)
- ITG09 – IT Agility (P)

- ITG11 – Optimisation of IT assets, resources and capabilities (S)
- ITG12 – Enablement and support of business processes by integrating applications and technology into business processes (S)
- ITG16 – Competent and motivated business and IT personnel (S)
- ITG17 – Knowledge, expertise and initiatives for business innovation (P)

EG07 - Business service continuity and availability

This enterprise goal maps to the following CobiT 5 IT Goals:

- ITG01 – Alignment of IT and Business Strategy – Primary Goal (S)
- ITG04 – Managed IT-related business risk (P)
- ITG07 – Delivery of IT Services in line with business requirements (S)
- ITG08 – Adequate use of applications, information and technology solutions (S)
- ITG10 – Security of information, processing infrastructure and applications (P)
- ITG14 – Availability of reliable and useful information for decision-making (P)

EG 10 - Optimisation of service delivery costs

This enterprise goal maps to the following CobiT 5 IT Goals:

- ITG01 – Alignment of IT and Business Strategy – Primary Goal (S)
- ITG04 – Managed IT-related business risk (P)
- ITG05 – Realised benefits form IT-enabled investments and services portfolio (S)
- ITG06 – Transparency of IT costs, benefits and risk (P)
- ITG08 – Adequate use of applications, information and technology solutions (S)
- ITG11 – Optimisation of IT assets, resources and capabilities (P)
- ITG12 – Enablement and support of business processes by integrating applications and technology into business processes (S)
- ITG13 – Delivery of programmes delivering benefits, on time, on budget, and meeting requirements and quality standards (S)

EG 14 - Operational and staff productivity

This enterprise goal maps to the following CobiT 5 IT Goals:

- ITG05 – Realised benefits form IT-enabled investments and services portfolio (S)
- ITG08 – Adequate use of applications, information and technology solutions (P)
- ITG09 – IT Agility (S)
- ITG16 – Competent and motivated business and IT personnel (P)
- ITG17 – Knowledge, expertise and initiatives for business innovation (S)

EG16 - Skilled and motivated people

This enterprise goal maps to the following CobiT 5 IT Goals:

- ITG01 – Alignment of IT and Business Strategy – Primary Goal (S)
- ITG03 – Commitment of executive management to making IT related decisions (S)
- ITG04 – Managed IT-related business risk (S)
- ITG07 – Delivery of IT Services in line with business requirements (S)
  ITG08 – Adequate use of applications, information and technology solutions (S)
- ITG09 – IT Agility (S)
- ITG16 – Competent and motivated business and IT personnel (P)
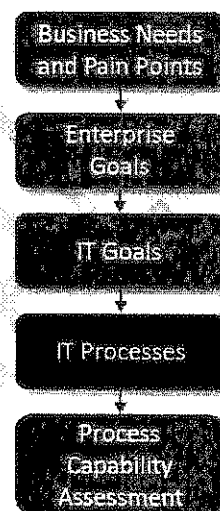
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- ITG17 – Knowledge, expertise and initiatives for business innovation (S)

Having identified the IT related goals relevant to achieving overall enterprise goals, we can now map the individual IT processes to those IT goals, and assess the capability of IT to deliver those processes and thus highlight any shortfalls or gaps in capability.

4.5 Mapping IT Goals to IT Processes

In the following section we will map the selected Primary IT goals to the specific governance, management and monitoring processes that enable them. From that we can then assess IT's capability across the relevant process and suggest improvements and training. At this point we will not address secondary IT goals.

The section below shows which governance, management and monitoring processes pertain to which IT goals.

ITG01 – Alignment of IT and Business Strategy – Primary Goal (P)

Governance Processes:

- EDM01 – Ensure Governance Framework Setting and Maintenance
- EDM02 - Ensure Benefits Delivery

Management Processes:

- APO01 - Manage the IT Framework
- APO02 - Manage IT Strategy
- APO03 - Manage Enterprise Architecture
- APO05 - Manage the Services Portfolio
- APO07 - Manage Human Resources
- APO08 - Manage Relationships
- BAI01 - Manage Programmes and Projects
- BAI02 - Manage Requirements Definition

ITG04 – Managed IT-related business risk (P)

Governance Processes:

- EDM03 – Ensure Risk Optimisation

Management Processes:

- APO10 – Manage Suppliers
- APO12 – Manage Risk
- APO13 – Manage Security
- BAI01 – Manage Programmes and Projects
- BAI06 – Manage Changes
- DSS01 – Manage Operations
- DSS02 – Manage Service Requests and Incidents
- DSS03 – Manage Problems
- DSS04 – Manage Continuity
- DSS05 – Manage Security Services
- DSS06 – Manage Business Process Controls

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Monitoring Processes:

- MEA01 – Monitor Evaluate and Assess Performance and Conformance
- MEA02 – Monitor Evaluate and Assess the system of internal control
- MEA03 – Monitor Evaluate and Assess Compliance with External Requirements

ITG06 – Transparency of IT costs, benefits and risk (P)

Governance Processes:

- EDM02 - Ensure Benefits Delivery
- EDM03 – Ensure Risk Optimisation
- EDM05 – Ensure Stakeholder Transparency

Management Processes:

- APO06 – Manage Budget and Costs
- APO12 – Manage Risk
- APO13 – Manage Security
- BAI09 – Manage Assets

ITG07 – Delivery of IT Services in line with business requirements (P)

Governance Processes:

- EDM01 – Ensure Governance Framework Setting and Maintenance
- EDM02 - Ensure Benefits Delivery
- EDM05 – Ensure Stakeholder Transparency

Management Processes:

- APO02 - Manage IT Strategy
- APO08 - Manage Relationships
- APO09 – Manage Service Agreements
- APO10 – Manage Suppliers
- APO11 – Manage Quality
- BAI02 - Manage Requirements Definition
- BAI03 - Manage Solutions Identification and Build
- BAI04 - Manage Availability and Capacity
- BAI06 – Manage Changes
- DSS01 – Manage Operations
- DSS02 – Manage Service Requests and Incidents
- DSS03 – Manage Problems
- DSS04 – Manage Continuity
- DSS06 – Manage Business Process Controls

Monitoring Processes:

- MEA01 – Monitor Evaluate and Assess Performance and Conformance

ITG08 – Adequate use of applications, information and technology solutions (P)

Management Processes:

- APO04 - Manage Innovation
- BAI05 - Manage Organisational Change Enablement

- BAI07 - Manage Change Acceptance and Transitioning

ITG09 – IT Agility (P)

Governance Processes:

- EDM04 – Ensure Resource Optimisation

Management Processes:

- APO01 - Manage the IT Framework
- APO03 - Manage Enterprise Architecture
- APO04 - Manage Innovation
- APO10 – Manage Suppliers
- BAI08 – Manage Knowledge

ITG10 – Security of information, processing infrastructure and applications (P)

Governance Processes:

- EDM03 – Ensure Risk Optimisation

Management Processes:

- APO12 – Manage Risk
- APO13 – Manage Security
- BAI06 – Manage Changes
- DSS05 – Manage Security Services

ITG11 – Optimisation of IT assets, resources and capabilities (P)

Governance Processes:

- EDM03 – Ensure Resource Optimisation

Management Processes:

- APO01 - Manage the IT Framework
- APO03 - Manage Enterprise Architecture
- APO04 - Manage Innovation
- APO07 - Manage Human Resources
- BAI04 - Manage Availability and Capacity
- BAI09 – Manage Assets
- BAI10 – Manage Configuration
- DSS01 – Manage Operations
- DSS03 – Manage Problems

Monitoring Processes:

- MEA01 – Monitor Evaluate and Assess Performance and Conformance

ITG14 – Availability of reliable and useful information for decision-making (P)

Management Processes:

- APO09 – Manage Service Agreements
- APO13 – Manage Security

- BAI04 - Manage Availability and Capacity
- BAI10 – Manage Configuration
- DSS03 – Manage Problems
- DSS04 – Manage Continuity

ITG16 – Competent and motivated business and IT personnel (P)

Governance Processes:

- EDM03 – Ensure Resource Optimisation

Management Processes:

- APO01 - Manage the IT Framework
- APO07 - Manage Human Resources

ITG17 – Knowledge, expertise and initiatives for business innovation (P)

Governance Processes:

- EDM02 - Ensure Benefits Delivery

Management Processes:

- APO01 - Manage the IT Framework
- APO02 - Manage IT Strategy
- APO04 - Manage Innovation
- APO07 - Manage Human Resources
- APO08 - Manage Relationships
- BAI05 - Manage Organisational Change Enablement
- BAI08 – Manage Knowledge

4.6 Business Process Assessment of SWSi
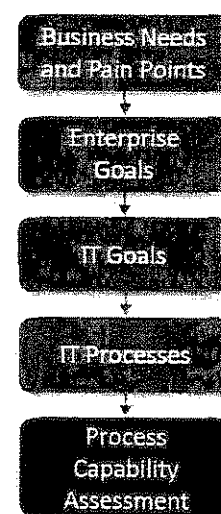
4.6.1 Consolidated Business Processes:

Below is the consolidated list of Business Processes identified by the CobiT 5 process to this point.

Governance Processes

- EDM01 – Ensure Governance Framework Setting and Maintenance
- EDM02 - Ensure Benefits Delivery
- EDM03 – Ensure Risk Optimisation
- EDM04 – Ensure Resource Optimisation
- EDM05 – Ensure Stakeholder Transparency

Management Processes

- APO01 - Manage the IT Framework
- APO02 - Manage IT Strategy
- APO03 - Manage Enterprise Architecture
- APO04 - Manage Innovation
- APO05 - Manage the Services Portfolio

Business Needs and Pain Points

Enterprise Goals

IT Goals

IT Processes

Process Capability Assessment

- APO06 – Manage Budget and Costs
- APO07 - Manage Human Resources
- APO08 - Manage Relationships
- APO09 – Manage Service Agreements
- APO10 – Manage Suppliers
- APO11 – Manage Quality
- APO12 – Manage Risk
- APO13 – Manage Security
- BAI01 – Manage Programmes and Projects
- BAI02 - Manage Requirements Definition
- BAI03 - Manage Solutions Identification and Build
- BAI04 - Manage Availability and Capacity
- BAI05 - Manage Organisational Change Enablement
- BAI06 – Manage Changes
- BAI07 - Manage Change Acceptance and Transitioning
- BAI08 – Manage Knowledge
- BAI09 – Manage Assets
- BAI10 – Manage Configuration
- DSS01 – Manage Operations
- DSS02 – Manage Service Requests and Incidents
- DSS03 – Manage Problems
- DSS04 – Manage Continuity
- DSS05 – Manage Security Services
- DSS06 – Manage Business Process Controls

Monitoring Processes

- MEA01 – Monitor Evaluate and Assess Performance and Conformance
- MEA02 – Monitor Evaluate and Assess the system of internal control
- MEA03 – Monitor Evaluate and Assess Compliance with External Requirements

In principle, all of these processes should be assessed to understand the level of capability with which SWSi delivers each process. However, given that this may be the first time that a CobiT 5 based assessment has been carried out at SWSi, we recommend that the range of possible issues identified be seen as a simple baseline from which further work can be launched, and that the immediate focus should be on a prioritised list of business processes.

We further recommend that in the short term we focus on the management processes rather than the corporate governance and monitoring processes as it is likely that the management area will return greatest immediate value.

4.6.2 Prioritised Subset of Processes for Assessment of SWSi

We have prioritised the below subset of CobiT business processes for capability review as follows:

Assign, Plan and Organise

- **APO01 - Manage the IT Framework**
- **APO02 - Manage IT Strategy**
- **APO03 - Manage Enterprise Architecture**
- **APO05 - Manage the Services Portfolio**
- **APO12 – Manage Risk**

Build, Acquire and Implement
- **BAI01 – Manage Programmes and Projects**
- **BAI04 - Manage Availability and Capacity**

We have prioritised seven business processes. Of these, five are in the Assign, Plan and Organise phase, where strategy and direction are set down, while the remaining two are in the Build, Acquire and Implement phase where IT systems are established and rolled out. Initially we have re-prioritised the Deliver, Service and Support phase where ongoing operations are managed and user support delivered as improvements in this area are somewhat predicated upon improvements in earlier phases.

We see greater potential return in establishing basic direction and frameworks in preparation for further work, while ensuring that IT project management and availability and capacity receive some management focus.

4.6.3 CobiT 5 Capability Levels

In this section we will assess each process against the CobiT 5 Process Capability model. The levels of capability defined in this model are:

- 0   Incomplete Process – *The process has not been implemented or fails to achieve its purpose*
- 1   Performed Process – *The implemented process achieves its purpose*
- 2   Managed Process – *The process is planned, monitored and adjusted and its outputs controlled*
- 3   Established Process – *The process itself is implemented using a defined process*
- 4   Predictable Process – *The process operates within defined limits to achieve its purpose*
- 5   Optimising Process – *The process continually improves to meet current and projected goals*

The optimum level of capability required of a process is highly dependent upon the needs of the organisation, for instance a business process which is of no strategic value cannot justify the expenditure necessary to develop it to the 'Optimising' level. Likewise a process upon which the whole success of the enterprise depends must be developed to a high level of capability.

4.6.4 APO01 - Manage the IT Framework

The purpose of this process is to provide a consistent management approach to enable enterprise governance directions to be set for management processes as a whole, organisational structures, roles and responsibilities, reliable and repeatable activities, and skills and competencies.
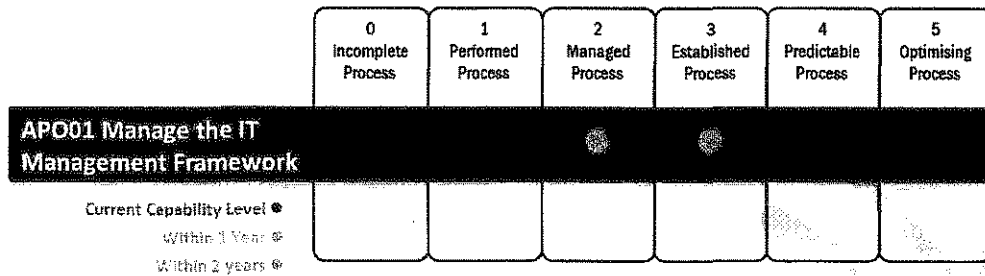
Underlying each process is a number of key management practices by which the process operates.

Key Management Practices:

APO01.01 Define the Organisational Structure.

APO01.02 Establish Roles and Responsibilities.

APO01.03 Maintain the Management System.

APO01.04 Communicate Management Objectives and Direction.

APO01.05 Optimise the placement of the IT function.

APO01.06 Define information (data) and system ownership.

APO01.07 Manage the continual improvement of processes.

APO01.08 Maintain compliance with policies and procedures.

We assess the capability of this process as **Level 1 – Performed**. The process exists but is not strongly managed, planned, monitored or adjusted. Once the parameters of the process are set they are not addressed again until some pressing need arises to bring the process to management attention.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO01 Manage the IT Management Framework			●	●		
Current Capability Level ●						
Within 1 Year ●						
Within 2 years ●						

4.6.5 APO02 - Manage IT Strategy

The purpose of this process is to align strategic IT plans with business objectives. Clearly communicate the objectives and associated accountabilities so they are understood by all, with the IT strategic options identified, structured and integrated with the business plans.
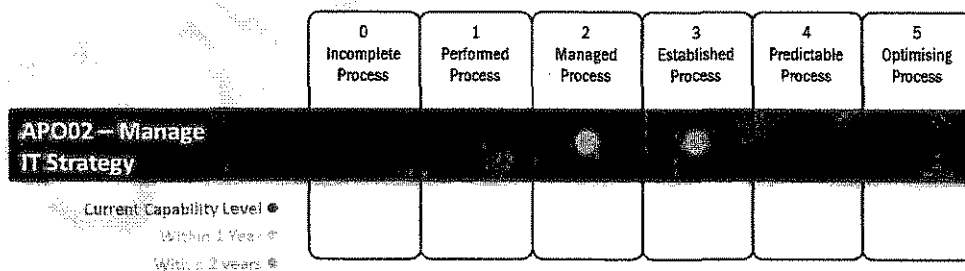
Key Management Practices:

APO02.01 Understand enterprise direction

APO02.02 Assess the current environment, capabilities and performance.

We assess the capability of this process as **Level 0 – Incomplete**. Parts of the process exist but it is not fully implemented, and there is little evidence of any systematic IT strategy. IT projects are not always closely aligned to Business Strategy or needs.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities as understood now, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO02 – Manage IT Strategy			●	●		
Current Capability Level ●						
Within 1 Year ●						
Within 2 years ●						

4.6.6 APO03 - Manage Enterprise Architecture

The purpose of this process is to represent the different building blocks that make up the enterprise and to identify their inter-relationships as well as the principles guiding their design and evolution over time, enabling a standard, responsive and efficient delivery of operational and strategic objectives.
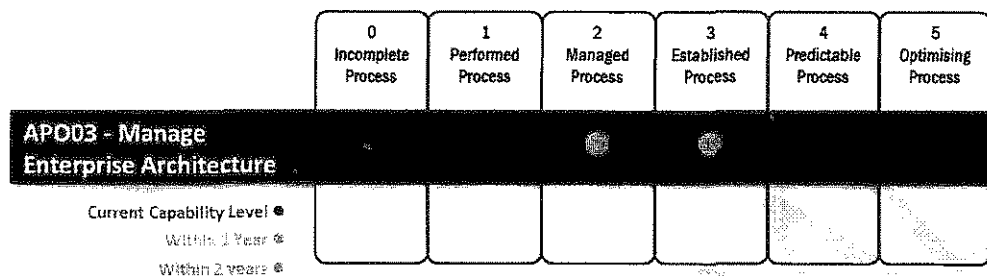
Key Management Practices:

APO03.01 Develop the Enterprise Architecture Vision

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APO03.02 Define the reference architecture

We assess the capability of this process as **Level 0 – Incomplete**. Some architectural components exist but there is no unified Architectural Vision and there is no defined Reference Architecture.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO03 - Manage Enterprise Architecture			●	●		
Current Capability Level ●						
Within 1 Year ●						
Within 2 years ●						

4.6.7 APO05 - Manage the Programme and Services Portfolio

The purpose of this process is to optimise the performance of the overall portfolio of programmes and services in response to changing enterprise priorities and demands.

Key Management Practices:

APO05.01 Establish the target investment mix

APO05.02 Determine the availability and sources of funds

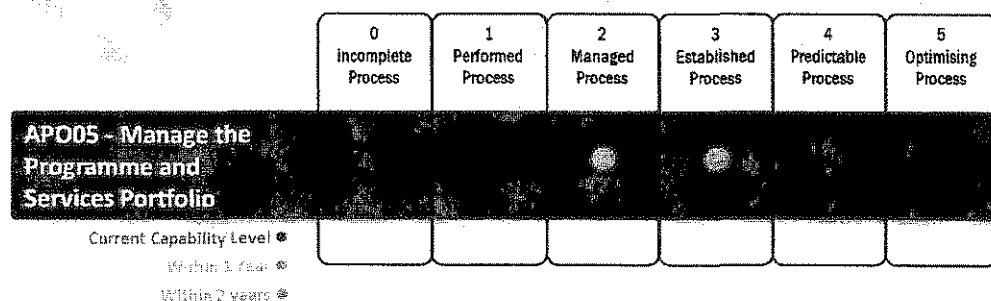APO05.03 Evaluate and select programmes and projects to fund

APO05.04 Monitor, optimise and report on investment portfolio performance

APO05.05 Maintain portfolios

APO05.06 Manage Benefits Achievement

We assess the capability of this process as **Level 0 – Incomplete**. Some portfolio artefacts exist and some programme and project management processes exist, but there is no portfolio committee, framework or process.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities as understood now, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO05 - Manage the Programme and Services Portfolio			●	●		
Current Capability Level ●						
Within 1 Year ●						
Within 2 years ●						

4.6.8 APO12 – Manage Risk

The purpose of this process is to integrate the management of IT-related enterprise risk with overall Enterprise Risk Management (ERM), and balance the costs and benefits of managing IT-related enterprise risk.

Key Management Practices:

APO12.01 Collect Risk data

APO12.02 Analyse Risk

APO12.03 Maintain a risk profile
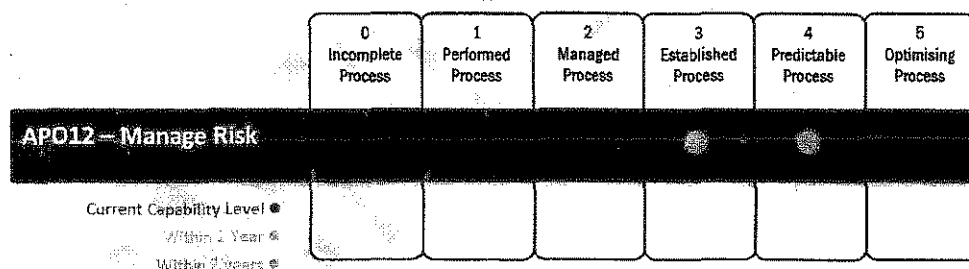
APO12.04 Articulate risk

APO12.05 Define a Risk Management action portfolio

APO12.06 Respond to risk

We assess the capability of this process as **Level 2 – Managed**. The process is planned, monitored, and adjusted and its outputs are appropriately established, controlled and maintained.

That said, the Risk Management process is highly centralised and is performed mainly by the business with input from IT. It is important to distribute the Risk Management process throughout the organisation, across IT and all other business units so that centralised Risk Management becomes enterprise Risk Management.

We recommend that over the next year SWSi develop the process at least to level 3 'Established' and that, based upon current priorities as understood now, SWSi should aim to develop the process to level 4 – 'Predictable' within three years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
APO12 – Manage Risk				●	●	

Current Capability Level ●
Within 1 Year ●
Within 2 Years ●

4.6.9 BAI01 – Manage Programmes and Projects

The purpose of this process is to realise business benefits and reduce the risk of unexpected delays, costs and value erosion by improving communications to and involvement of businesses and end users, ensuring the value and quality of project deliverables and maximising their contribution to the investment and services portfolio.

Key Management Practices:

BAI01.01 Maintain a standard approach for programme and project management

BAI01.02 Initiate a programme

BAI01.03 Manage a stakeholder engagement

BAI01.04 Develop and maintain the programme plan

BAI01.05 Launch and execute the programme

BAI01.06 Monitor, control and report on the programme outcomes

BAI01.07 Start up and initiate projects within a programme

BAI01.08 Plan projects

BAI01.09 Manage programme and project quality

BAI01.10 Manage programme and project risk

BAI01.11 Monitor and control projects

BAI01.12 Manage project resources and work packages

BAI01.13 Close a project or iteration

AI01.14 Close a programme

We assess the capability of this process as **Level 0 – Incomplete**. Some programme and project management concepts are in use and some internal IT projects are initiated however the management, methodology and execution of projects do not constitute an achieved process according to the metric that CobiT 5 applies.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities, SWSi should aim to develop the process to level 3 – 'Established' within two years.

	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
BAI01 – Manage Programmes and Projects			⊙	⊙		
Current Capability Level ⊛						
Within 1 Year ⊛						
Within 2 years ⊛						

4.6.10 BAI04 - Manage Availability and Capacity

The purpose of this process is to maintain service availability, efficient management of resources, and optimisation of system performance through prediction of future performance and capacity requirements.

Key Management Practices:

BAI104.01 Assess current availability, performance and capacity and create a baseline.

BAI04.02 Assess business impact

BAI04.03 Plan for new or changed service requirements

BAI04.04 Monitor and review availability and capacity

BAI04.05 Investigate and address availability, performance and capacity issues.

We assess the capability of this process as **Level 0 – Incomplete**. The process exists but is not strongly managed, planned, monitored or adjusted. Reported outages in key systems over recent months suggest that the process is not functioning well.

We recommend that over the next year SWSi develop the process at least to level 2 'Managed' and that, based upon current priorities, SWSi should aim to develop the process to level 4 – 'Predictable' within two years.

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	0 Incomplete Process	1 Performed Process	2 Managed Process	3 Established Process	4 Predictable Process	5 Optimising Process
BAI04 - Manage Availability and Capacity			●		●	
Current Capability Level ●						
Within 1 Year ●						
Within 2 years ●						

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4.7 Summary Heat Map

The heat map below is a guide to our assessment of the capability level of each ICT process area. These process have been selected because they have been identified and prioritised as those requiring the most urgent attention. We recommend workshopping this data with the ICT Services team to develop a more detailed and agreed upon assessment.

Subset of CobiT Processes Assessed	Processes Complete?	Broad Awareness?	Policies In place?	Technology In place?	Skills?	Responsibility Understood?	Goals Aligned?
Assign, Plan & Organise							
APO01 - Manage the IT Framework							
APO02 - Manage IT Strategy							
APO03 - Manage Enterprise Architecture							
APO05 - Manage the Services Portfolio							
APO12 – Manage Risk							
Build, Acquire and Implement							
BAI01 – Manage Programmes and Projects							
BAI04 - Manage Availability and Capacity							

Colour Key:

RED – indicates an area requiring considerable urgent attention

AMBER – Indicates an area requiring serious attention but less urgently than RED items

YELLOW – Yellow is nearer to GREEN and indicates an area requiring some attention soon

GREEN – indicates that this area is functioning acceptably in the given circumstances

5 Recommendations

Based on the proposed Target State and the Gap Analysis, a series of recommendation have been developed to assist SWSi transition to the Target State. These recommendations have been grouped into the following categories:

- Governance and Execution

- Aligning IT with the Business

- Financial Agility and Efficiency

- IT Resiliency

5.1 Recommendation Principles

All Recommendations are intended to be:

- Appropriate/Proportional.

    o Recommendations should not seek to place unnecessary administrative burden on SWSi.

- Achievable.

- Consider the future operating model under Smart and Skilled

    o Match costs to revenues.

    o Appetite for Opex rather than Capex.

    o Variable/scalable depending on enrolments.

- Place a priority on agility and execution

- Allow SWSi speed-to-market to capture emerging market opportunities with expediency.

5.2 Governance and Execution

Recommendation 1 - Implement an IT Governance Framework based on CobiT 5

Ensuring a **Governance Framework** is in place at SWSi and that the correct settings have been determined and are being maintained are crucial first steps in ensuring that governance permeates down from the Board and executive levels throughout the organisation.

Putting in place good governance within the ICT area is an essential first step to ensuring that ICT **delivers the expected benefits**. Strategic benefits can only be delivered if the proposed investment aligns to strategic business goals, it must be clear how achievement of these goals will be supported or enhanced, and it must be clear what other enabling investments are required, specifically how this system or application will deliver on the organisation's goals, and over what timeframe, and in what form the expected benefits will accrue – how will they be monitored and measured etc.

SWSi does not have an ICT **Management Framework** in itself. That's not to say that ICT is unmanaged but rather that there is no documented framework for how this is done, who does what, or what the organisation expects from ICT. These matters are communicated to ICT, and the ICT manager is broadly

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aware of his responsibilities. However Enosys recommends a more formal yet streamlined, framework be applied in addition to the Governance Framework.

- SWSi should form a business oriented **ICT Steering Committee** empowered by the Board
- SWSi should form an Enterprise Architecture Group that is likewise empowered by the Board.
- SWSi should form establish mechanisms to ensure Benefits Delivery of ICT Investment.
- SWSi should communicate Management Aims and Direction through monthly meeting between the (Acting) Associate Director, the (Acting) ICT Services Manager and Team Coordinators.

Expected Benefits

- IT services are aligned and deliver business outcomes.
- SWSi business has greater executive control over IT investment.

Migration Initiatives or Projects

- Implement IT Governance Committee via the proposed IT Steering Group.
  - Define Governance Charter.
  - Implement Governance Framework Setting & Maintenance.
  - Appoint Enterprise Architecture Sub-Committee.
  - Execute IT Governance.
- Communicate Management Aims and Direction.

Recommendation 2 - Implement Benefits Management and Value Realisation at the IT Steering Group

While both Benefits Management and Value Realisation are ultimately necessary, in SWSi's context the most immediate need is to focus on Benefits Management and to ensure that good decisions are made in the first place. It will be necessary to address Value Realisation framework and processes in including developing appropriate frameworks and processes and embedding these in the purchasing decision process, and in ongoing governance reporting.

Migration Initiatives or Projects

- SWSi should establish mechanisms to ensure Benefits Delivery of ICT Investment.

Recommendation 3 - Define a Strategic IT Plan

Enosys has not seen a specific **ICT Strategic Plan**. That said, Enosys is aware that SWSi is currently developing last year's strategic plan, however this will likely be out of date at the time of release It will be necessary for SWSi to develop an ICT strategy and plan over the next few months in order to be prepared for the Smart and Skilled changes arriving next year.

Whilst the IT Strategic Plan cannot be completed until SWSi Business Strategy is available to guide it, the general shape of the strategy can be drawn out ahead of time as to expedite the overall process.

Expected Benefits

- IT Strategy will be able to closely follow SWSi Business Strategy

- IT goals will match Enterprise goals

- =required level

Migration Initiatives or Projects

- Define IT Strategic Plan to 2018

Recommendation 4 - Implement an IT Enterprise Architecture Sub Committee

As part of developing a strategic/governance approach it will be necessary to **Manage Enterprise Architecture**. At present there is no formal, planned Enterprise Architecture at SWSi. The architecture that has grown organically within or perhaps beneath, the organisation,has emerged of its own volition rather than having been planned. Parts have been planned of course, but the architecture of the enterprise as a whole is largely coincidental.

There is an urgent need to **document and diagram the current enterprise architecture** at a physical and a logical level. This is a technical architecture task and requires the services of an experienced enterprise architect to guide, advise, and undertake the bulk of the documentation and diagrammatic work. This is something that can be delivered once, and then updated periodically should the need arise.

The second aspect of the task is **Architectural Governance**, and this is an ongoing responsibility of ICT which will require those skills to be available as a matter of course within the ICT community. SWSi needs an Architecture Council or similar Committee that meets regularly and often to handle day-to-day issues that arise.

Implementing the Risk Management framework

Expected Benefits

- The Architecture Committee will standardise IT across SWSi leading to lower costs, increased efficiency and higher availability

- The Architecture Committee will evaluate and oversee any new technology additions to the ICT environment so that any new additions work well with the current environment and are of strategic value to SWSi.

Migration Initiatives or Projects

- Implement IT Architecture Sub-Committee

- Develop a Technology Road Map

Recommendation 5 - Implement Risk Management compliant with the ISO 31000 standard

Risk Management is addressed comprehensively at the Board and executive levels of SWSi, however we see a gap in driving Risk Management down into the ICT area. We recommend the development, based on the ISO 31000 standard, of an ICT focussed Risk Management framework and processes to hook into the already effective corporate Risk Management process. Enosys also sees gaps in ICT Disaster Recovery, Business Continuity Planning and potentially in ICT Crisis Management.

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We recommend that Risk Management consistent with ISO 31000, be implemented across the ICT function. It will need to be refined and made directly applicable to the specifics of SWSi. There is a significant organisational change management aspect to this effort – it is not just a technical exercise for risk professionals.

Implementing the Risk Management framework will need to ensure that it does not create a complex and unnecessary burden on SWSi and ICT services in particular.

One option that could be explored is that the corporate risk team be involved with risks identified by management and addressed as part of the ICT Steering Group.

Expected Benefits

- All significant enterprise risk are managed

- SWSi undertakes the appropriate level of risk, matching its risk appetite and ensuring that uncertainty is constantly reviewed and planned for.

Migration Initiatives or Projects

- SWSi should implement the Risk Management Framework

- SWSi should carry out baseline ICT risk review to set the basis for ongoing risk review cycles.

- SWSi should address the gaps identified in the GAP Analysis using CobiT 5, that constitute risks to the business and need to be managed as such.

- SWSi should embed Risk Management in business and ICT processes and culture.

5.3 Aligning IT with the Business

Recommendation 6 - Appoint an ICT Services Manager

Currently the ICT Services Manager is in an acting role with limited scope and empowerment to restructure ICT Services to transition to one that is more closely aligned with the future SWSi business model. It is strongly recommended that SWSi appoints an IT Services Manager that can:

- Support the proposed Governance Function by sitting on the proposed IT Steering Group to assist with the shaping, defining and approval of IT initiatives and investments, including their benefits realisation; and

- Lead Management function by delivering ICT services consistently and reliably and improve SWSi's ability to seize market opportunities in innovative educational initiatives that will drive increased revenue under Smart and Skilled.

As such this is seen a senior role within SWSi and will require the current acting ICT Services Manager to be given increasing scope and capabilities, as well as receive additional training and support.

Migration Initiatives or Projects

- Appoint ICT Services Manager

Recommendation 7 - Address Skills and Capability across ICT Services

SWSi has not completed a formal **Skills and Capability Assessment** for ICT staff. We propose that SWSi

carries out a self-assessment program for ICT, based upon the Skills Framework for the Information Age (SFIA) framework as adapted by the NSW Public Service Commission. This will enable the ICT manager and SWSi more generally, to gain a formal view of the skills and capabilities of the ICT team which will enable some planning and staff development in relation to any gap that may be revealed between the skills of the current team and the skills that will be required under 'Smart and Skilled'. This approach will establish a baseline which could then be further formalised with the services of an accredited SFIA consulting firm. We would be happy to introduce such a partner should the need arise.

We recommend that SWSi addresses skills and capability in the following steps:

- Step 1 – Undertake an Audit of Current Skills within ICT Services against current roles.

- Step 2 – Set aside some funding for a short-term skills improvement initiative in 2015.

- Step 3 – Undertake a Skills and Competency Gap Analysis against a future ICT Services organisational structure that will deliver to the IT Strategy.

- Step 4 – Transform ICT Services to Target State Structure.

Step 1 – ICT Services Skills Audit

Whilst it is more common to move to undertake a skills gap analysis against a future ICT Services organisation structure in the short term, this is not currently possible given both the SWSi Business Strategy is still being formed and there are also structural changes expected at the TAFE NW level.

Initially, SWSi should undertake and complete an ICT Skills Audit against the current structure and operation. The purpose of the audit is to highlight the following:

- To what extent ICT Services staff has the skills and experience to be able to undertake their current roles.

- Where ICT Services staff are currently working in roles that do not match their competency (skills and certifications).

- Some immediate skills development and training initiatives that will lead to improved provision of services for some of these roles.

- Provide a baseline for a future "Gap Analysis".

Step 2 – Fund Short-Term Skills Improvement in 2015

Once the Skills Audit has been completed, ICT Services should look to improve the skills and certifications for staff who are in a role where undertaking some training will lead to an immediate or short-term improvement in the delivery of services. Pending the completion of SWSi IT Strategy, any spending should be directed to areas or functions where it is expected that those roles will remain important to SWSi and where the individuals in those roles are suited to them.

Importantly, a proportion of this investment should be directed towards frameworks and methodologies for IT Service Management and IT Governance (specifically ITILv3 and CobiT5) and may potentially be fast-tracked for ICT Services Managers and Coordinators.

Step 3 – Undertake a Future State Skills Gap Analysis

Once the proposed SWSi IT Strategy has been completed ICT Services will need to migrate to an organisational structure that will be able to execute and deliver the strategy. A Skills Gap Analysis will need to be undertaken that maps current staff, roles and competencies against those of a future state. This Gap Analysis will then highlight where skills require further development and another development plan shall be required.

Step 4 – Transform ICT Services to Target State Structure

Step 4 is the final step that actually transforms ICT Services from its current operational focus to an organisation structure that will support the proposed Target State through a focus on service delivery (as per *Section 3.2.3 Service Delivery Focus*).

Once the Future-State Skills Gap Analysis has been completed, the IT Steering Group shall be able to

- Finalise a Target State Organisational Structure (See also Figure 5 - Potential SWSi Governance Structure based on CobiT 5 for a draft potential structure that implements some of the key governance and management functions.

- Put into place a roadmap to transition from the current org-structure to the target one.

Expected Benefits

- Will provides SWSi the starting point to move away from a temporary structure with staff filling temporary positions to one that is in-line with future operating model.

- Will assist SWSi realise immediate benefits and improvements in service delivery across all proposed recommendations.

Whilst benefits will accrue from each of these proposed steps, much of the expected benefits, including those of many of the other recommendations of the report will not be realised until SWSi has completed Step 4.

Migration Initiatives or Projects

- ICT Services Skills Audit.

- Skills and Certification Improvement Program 2015 (Dependency: **ICT Services Skills Audit**)

- ICT Services Staff Skills Gap Analysis (Dependency: **SWSi IT Strategy**).

- Transform to Target State Organisation Structure.

Recommendation 8 - Shift responsibility for IT Procurement to the IT Steering Group

All future ICT spending should be signed-off by IT Governance Committee or its delegate in-line with the IT Strategy, the Project Portfolio Management and the Service Delivery Management functions. This will ensure that those who are accountable for SWSi's business outcomes are the decision makers with respect to the procurement of IT Service Catalogue items, or components within proposed Service Catalogue Items.

Even if forecast funding remains unpredictable, where funding does become available and needs to be spent at short notice, it can be against a pre-agreed set of spending priorities enumerated by the IT Steering Group, rather than ICT Services attempting to predict what the Business' future ICT requirements may be as in the case at present.

Expected Benefits

- All procurement and expenditure on ICT services will be aligned to business/learning initiatives, projects or services defined by ICT services and signed-off by the IT Governance committee.

- All IT Procurement is tied to a known, stated objective or outcome with benefits realised.

Migration Initiatives or Projects

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- Implement IT Steering Group
- Implement Architecture Sub-Committee
- Implement Project Portfolio Management
- Implement Service Portfolio Management

Recommendation 9 - Document a Requirements Definition for IT-Delivered Learning for the next three years.

For each faculty or course provided by SWSi, the proposed Definition Document should plot on a spectrum from 0% IT-delivered learning to 100% IT-delivered learning over the next three years. An example of this is shown below.

	0% IT-Delivered	20% IT Delivered	40% IT-Delivered	60% IT-Delivered	80% IT-Delivered	100% IT-Delivered	Revenue / Enrolment Weighting
Animal Studies (Introduction) 120 hr							Low
Animal Studies (Extension) 120 hr							Low
Automotive (Airbrushing) 240hr							Medium
Automotive (Mechanical–Heavy Vehicle) 240 hr							High

2015 ● 2016 ● 2017 ●

Figure 8 – Summary Matrix of IT-Delivered Learning Requirements

This needs to include some level of detail from the faculties regarding how their reliance on IT-delivery of learning services will change, giving the IT Steering Group Committee a de-facto list of candidate projects for consideration for additional investment and importantly, divestment.

If the relative importance of a particular course in terms of anticipated enrolments is also added to the Requirements Definition, then the IT Governance Committee will have a view towards prioritising candidate initiatives against the Project Portfolio Management function.

Importantly, this initiative needs to be owned by the SWSi business groups and faculties and delivered to the IT Steering Group to provide guidance and prioritisation in approving and managing investments in ICT Services.

Expected Benefits

- Will provides ICT Services and the IT Steering Group a mechanism for prioritising IT investment (and divestment) over the coming years, ensuring that IT investment is aligned to educational imperatives and Business Strategy.
- Will provides significant input for the development of the IT Strategy

Migration Initiatives or Projects

- Requirements Definition for IT-Delivered Learning (2016-2018)

Recommendation 10 - Agree what IT Services are Strategic vs Tactical

ICT Services is not large enough for it to sustainably provide all IT Services at an acceptable standard through internally-delivered means. Indeed, SWSi's use of third-party service providers for mature or

commoditised IT Services is below the industry average for similar organisations.

SWSi needs to look at the services provided by ICT services, decide on which ones provide a competitive advantage in the market and then, for the ones that are non-strategic consider alternative service delivery models that deliver the best service as an on-demand model at a competitive price.

Expected Benefits

- Will provide ICT Services a clear picture of what services it will continue to develop and deliver internally and which services, or components of services it will manage into the SWSi business through mature third-party offerings.

- Will provide input and guidance into the IT Strategy.

- Will provide input and guidance into the Technology Road Map

Migration Initiatives or Projects

- Enosys recommends a **Service Portfolio Management** meeting chaired by a portfolio manager on a monthly basis to manage the portfolio of ICT services. A formal portfolio of ICT services must be drawn up and agreed. Attendees at the meeting will include executive management, governance, architecture and potentially finance as required, and of course ICT.

- Enosys recommend Implement IT Steering Group

- Enosys recommend Implement Architecture Sub-Committee

Recommendation 11 - Transform ICT Services to a Service-focussed organisation through changed Roles and Responsibilities and Professional Development

ICT Services to transition from the current operational focus to one that is service focussed.

As part of this recommendation, roles and responsibilities

- Appoint a Senior ICT Services Manager
    - Sit on Governance board
    - Chair the Architecture group
    - Own Project Portfolio
    - Own Service Portfolio

- Appoint a Customer Services Manager to Manage Service Desk and major ITIL processes (Change, Problem, Incident, Capacity, Asset Lifecycle)
    - Embrace ITIL and CobiT
    - Training in ITIL and CobiT.

- Participate in industry networking groups including NSW Government groups and forums for information exchange around service management and service delivery. This shall prove vital for ICT Services leaders in being able to execute on the proposed transition by sharing experiences with other professionals who have or are undertaking a similar journey.

Migration Initiatives or Projects

- Appoint ICT Services Manager

- Appoint an experienced Customer Service Manager.

- Implement Architecture Sub-Committee

- Implement Project Portfolio Management

- Implement Service Portfolio Management

- Skills and Certification Improvement Program 2015

Recommendation 12 - Improve Service Delivery from the Service Desk

Enosys recommends that an experienced Service Desk manager be appointed.

Implement of of FAQ's document and user 'self-help' tools. Such implementations can lead to an immediate benefit and assist with cross-team collaboration and thus start enacting on basic ITIL processes such as SLA reporting, Change, Problem and Incident Management.

Migration Initiatives or Projects

- Appoint an experienced Customer Service Manager.

- Provide a Service Desk Activity Analysis report after 3 months to highlight the volume and profile of calls coming into the Service Desk
  - Map call volumes against key ICT Services.
  - Call volumes by top SWSi Users
  - The percentage of incoming calls related to user training vs actual faults, problems or incidents.
  - SWSi Users' use of self-help/FAQ information (eg SharePoint).
  - ICT Services' response to faults and incidents.
  - SLA performance and possible recommendations (including reviewing SLA's)

5.4 Financial Agility and Efficiency

Recommendation 13 - Review and reclassify IT Costs as variable where possible

One of the key Target State objectives of this report is for SWSi to be able to better manage ICT costs in the face of a changing, more competitive environment under *Smart and Skilled*. As part of the user focus groups, it was found that a large proportion of ICT costs are grouped into a single overhead which is then charged back to the faculties. Under Smart and Skilled, this practice is unsustainable. Faculties and business groups need to have complete transparency into what IT services are being provided to them and how much they are costing them. Additionally, IT services need to be catalogued and offered on-demand on a per-unit basis allowing business groups and faculties to increase and decrease their consumption of services in-line with increasing and decreasing student enrolments. (See *Figure 6 – Target vs Current State Profile of IT Costs*).

In order to facilitate the effective building, implementation and management of a user-centric, on-demand service catalogue for ICT Services, al ICT costs need to be broken-out from the current "overhead" and into components against the various service catalogue items or projects.

This would commence with a complete review of all IT costs with a view to shifting these from overheads to

variable costs that can be recovered against cost centres through defined, costed Service Catalogue items that are knowingly consumed by business users such as the faculties, marketing etc.

Expected Benefits

- SWSi will have greater transparency and understanding of the costs and overheads.

- Faculties will have a better understanding of what ICT costs are currently charged back to them as fixed overheads. They will consequently be in a better position to reassess a lot of these costs against their requirements.

- Will provide a significant opportunity for SWSi business units to reduce their spend on some IT services that they may not need and increase spend in those services that they do require.

- ICT Services will have comparisons or examples to become more commercial or outcome-focussed in the positioning of internally-delivered services.

- Improve the effectiveness of Service Portfolio management and Project Portfolio Management.

- Facilitates Benefits Management and Value Realisation of services and projects that are supported and funded by the IT Steering Group.

Migration Initiatives or Projects

- Review of ICT Costs

Recommendation 14 - Implement Timesheets for ICT Services staff

SWSi must evaluate how costs for all ICT Services human resources can be tied back to funded Service Catalogue items or projects funded by the IT Steering Group. As such a timesheeting system should be implemented in order to effectively account for the time and cost of ICT Services against each of the initiatives funded

All aspects of ICT services should be included in this initiative, examples include staff working full-time against a SWSi Website project. In this respect, timesheeting is useful as the cost associated with time to undertake systems administration activities needs to be separated from time against project-related activities which are funded separately.

Initiatives required to achieve this:

- Undertake a complete review of all IT assets and expenses including
    - Building and facilities costs attributable to ICT Services
    - IT assets including hardware and software
    - All 3rd party procurement
- Separate unit-based items currently classed as overheads (such as phones and desktop computers).
- Document, sign-off and implement Telephony Services as a unit-based Service Catalogue item.
- Document, sign-off and implement Desktop Services as a unit-based Service Catalogue item.
    - Base offering.
    - Enhanced offering with additional charge for onsite ITSO support.

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Expected Benefits

- Provides ICT Services manager and IT Steering Group improved visibility into the investment in human resources which make up a significant portion of overall cost base for ICT Services.

- Increased accountability of each member of ICT Services team into the work they are undertaking on a daily basis.

- Facilitates allocating cost associated with time spent on certain projects or service administration to those initiatives that are funded by the IT Steering Group.

- Improved metrics for value realisation.

- Classify all ICT Services Human resources costs against Key ICT Services and Service Catalogue items

Migration Initiatives or Projects

- Implement a timesheeting solution for ICT Services staff.

Recommendation 15 - Benchmark ICT investments against a range to alternatives to determine Industry Best Practice

SWSi requires a **framework to manage ICT-enabled investment** programmes. The framework should encompass cost, benefits, prioritisation within budget, a formal budgeting process and management against the budget. Stakeholders must be consulted to identify and control the total costs and benefits within the context of the ICT strategic and tactical plans, and initiate corrective action where needed. This process fosters partnership between ICT and business stakeholders; enables the effective and efficient use of ICT resources; and provides transparency and accountability into the total cost of ownership, the realisation of business benefits and the return on investment of ICT-enabled investments.

Where possible, SWSi should benchmark all ICT spend and service delivery options to determine the best method of delivering IT services at the best price, a common misunderstanding of this process is to simply acquire a number of quotes prior to purchasing, this is not the correct method. Enosys believes that the correct process to determine the best method of delivering IT services at the best price means that where there is a requirement for a new IT Service or a review of an existing one, that the SWSi IT Steering Group dispassionately assesses several alternatives for the delivery of that service including:

- Internally by ICT Services;

- Externally by other NSW DEC agencies (ITD, TAFE NSW);

- Externally by other third-party providers; or

- A mix of the above.

The appropriate option can then be selected according to such factors as functional fit, technology risk, implementation risk, operational risk, commercial flexibility as well as price.

Expected Benefits

- Delivery options for ICT Services can be assessed by the IT Steering Group against a range of options to determine best-practice alternative(s).

- ICT Services will have comparisons or examples to become more commercial or outcome-focussed in the positioning of internally-delivered services.

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Migration Initiatives or Projects

- Implement IT Steering Group
- Implement Architecture Sub-Committee
  - Develop Technology Road Map
- Document Service Catalogue
- Implement Project Portfolio Management
- Implement Service Portfolio Management

5.5 ICT Service Definition and Service Catalogue

Recommendation 16 - Implement Project Portfolio Management

The **management of programmes of work and individual projects** via project portfolio management is severely hampered by a lack of a formal 'Projects' group, or even a list of people earmarked to work on projects rather than exclusively BAU tasks. There is an opportunity to augment any such group with external consultant, contractors and specialists, but there needs to be a core capability within ICT that is not focussed exclusively on 'keeping the light on', but can (has the capabilities required to) deliver projects. We recommend the formation of such a capability, albeit in a manner and form that works for SWSi.

We propose that SWSi develop a simple but explicit management framework for ICT incorporating roles and responsibility (RACI) matrices. This will establish who is responsible and accountable for what, who is consulted, and who is informed concerning management of the Project Portfolio.

Expected Benefits

- More effective project governance and execution including the meeting deadlines, managing changes and project financial management.
- Improved value realisation from SWSi investments in IT.

Migration Initiatives or Projects

- Develop RACI matrix for Project Portfolio Management
- Implement Project Portfolio Management function
  - Transition existing projects into Project Portfolio

Recommendation 17 - Implement Service Portfolio Management and Document Service Catalogue for Key ICT services

In addition to managing relationships, both internally within SWSi and between SWSi and external bodies such as ITD and potentially TAFE NSW, it is becoming essential to improve the documentation and **management of Service Agreements.** Current levels of support, responsiveness to queries and change requests, and even the services provided are not adequate to satisfy SWSi ICT users (faculty and students). Given current user experience, in the absence of any initiatives on the part SWSi ICT and its partners, it is unlikely that current services and service levels will be adequate in a more competitive, agile

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market.

We recommend that SWSi implement Service Portfolio Management function within the TAFE. The Service Portfolio would be owned by the ICT Services Manager, but with Service Owners for each of the key ICT services (eg Moodle) appointed from within the current operations teams.

Service Definition

- Initially, a Service Definition Brief for each of the key ICT services shall be documented, reviewed and approved by the IT Steering Group (who may delegate review and approval to specific SWSi business groups – eg Marketing for SWSi Website).

- The scope of these initial Service Definitions is to be concise with a focus on functional requirements and required service levels.

Service Catalogue

- Once the Service Definition brief has been documented and approved, a Service Catalogue Item (again, with a focus on capturing the most important details) shall be developed that interlocks with other important recommendations and initiatives including

  - *Impact on Technology Road Map* by the Architecture Sub-Committee

  - *Breakdown of costs and pricing* of the Service Catalogue item as part of the Review of ICT costs in conjunction with SWSi Finance.

  - *Service Scope and Deliverables* of the relevant operations team by the appointed Service Owner within ICT Services. (ie what ICT Services is delivering against the Service Definition).

  - *Skills and Capability Assessment* in-line with the proposed ICT Services Skills Audit with any gaps highlighted.

  - *Investment assessment* signed-off by the ICT Services Manager that includes technical and commercial details regarding the structure of the Service so that the IT Steering Group understands commercially the boundaries and constraints of the service including

    - The ability for faculties and business units to increase and decrease their consumption of the service.

    - Tiering of services, if applicable (Gold, Silver, Bronze).

    - Investment timeframes for components of the service.

    - Options and constraints that the SWSi business users may need to be aware of.

- The Draft Service Catalogue Item is then reviewed by the ICT Steering Group

  - Any risks are documented in the IT Risk Register and managed accordingly.

  - A decision is made on whether to:

    - Implement the Service Catalogue

    - Make any amendments

    - Delay or fast-track implementation according to priorities and resource constraints.

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- If approved, the Service Catalogue Item is then handed to the ICT Services Manager
  - Service Catalogue Item is transitioned into the Service Portfolio
    - Service Desk Transition
    - Operational Transition to Service Owner and Operations Team(s)
  - Any proceeding funded projects are transitioned into the Project Portfolio
  - Transition to Architecture Sub-Committee

Expected Benefits

- More effective delivery of ICT services with greater expectation management of the SWSi business users.
- Greater ability for SWSi users to increase and decrease their consumption of IT services in line with increasing and decreasing student enrolments and revenue to SWSi under *Smart and Skilled.*
- Improved value realisation from SWSi investments in IT.
- Improved ability to manage the lifecycle of services in-line with the lifecycle of various courses.

Migration Initiatives or Projects

- Develop RACI matrix for Project Portfolio Management
- Implement Service Portfolio Management function
  - Document Service Definition for key ICT Services
  - Document Service Catalogue for key ICT Services

Recommendation 18 - Pilot Microsoft Office365 as a Service Catalogue item

Desktop productivity software in the form of Microsoft Office can best be described as "commodity services". In piloting Office 365, SWSi can take an initial low-risk step in moving to a service model for the delivery of an IT service that is now mature, low-risk, and "user-pays." This also allows ICT Services resources to focus on more strategic services.

Microsoft Office365 is now a mature service that is experiencing rapid uptake by both commercial enterprises and government organisations around Australia.

As part of this Pilot, ICT Services should:

- Prepare a Project Definition complete with objectives for signoff by the IT Steering Group
- Select, for instance, 10 users from three representative business groups to run as a pilot group for a period of three months.
- Undertake a comparative analysis of the benefits and limitations of Office365 versus delivering desktop productivity software internally by ICT Services.
- Collect feedback from pilot users as to their experience in
- Prepare a short report for the IT Steering Group as to the results of the pilot with any recommendations.

Expected Benefits

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- Allows SWSi a relatively simple way for ICT Services to divest itself of some of the burden in administering and maintaining a service that is not strategic to SWSi.

- Is an ideal initial way for SWSi and ICT Services to start migrating to commodity services delivered by more efficient 3rd-party organisations

- Is an ideal initial service to be defined and delivered as a true on-demand, user-pays Service Catalogue item in the short term.

Migration Initiatives or Projects

- Office 365 Pilot

Recommendation 19 - Pilot Desktop-as-a-Service as a Service Catalogue item

In tandem with the Office 365 Pilot, ICT Services should similarly explore Desktop-as-a-Service as a means of reducing the administrative burden of delivering basic, commodity IT Services.

As part of this Pilot, ICT Services should:

- Prepare a project definition complete with objectives for signoff by the IT Steering Group

- Select, for instance, 10 users from three representative business groups to run as a pilot group for a period of three months.

- Undertake a comparative analysis of the benefits and limitations of Office365 versus delivering desktop productivity software internally by ICT Services.

- Collect feedback from pilot users of experiences.

- Prepare a short report for the IT Steering Group with the results of the pilot and with any recommendations.

Expected Benefits

- Evaluates the feasibility of ICT Services to divest itself of administering and maintaining a non-core service.

- Allows ICT Services to assess the efficiency of third party commodity service delivery

- Can be defined and delivered as a true on-demand, user-pays Service Catalogue item in the short term meaning that significant cost can be removed from current IT overhead or fixed costs.

Migration Initiatives or Projects

- Desktop-as-a-Service Pilot

Recommendation 20 - Define the Service for BYOD/Wireless/Student Experience

Furthermore, ICT Services should similarly explore Desktop-as-a-Service as a means of reducing the administrative burden of delivering basic, commodity IT Services.

As part of this Pilot, ICT Services should:

- Work with SWSi users via the IT Steering Group to define their requirements for BYOD/Wireless/Student Experience.

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- Understand integration, if any, with other systems (eg SWSi website, SharePoint, Moodle)

- Workshop or test several options.

- Define a project including costs, timelines, dependencies and value realisation (ROI).

- Develop a draft Service Catalogue item as proposed in *Recommendation 17 - Implement Service Portfolio Management and Document Service Catalogue for Key ICT services,*

- Submit the above including a recommendation back to IT Steering Group for review.

Expected Benefits

- IT Steering Group and ICT Services use this as a means of implementing the proposed approach to IT governance.

- An important IT service is developed in consultation with and signoff by the business.
  - Appropriate expectations around functionality, service levels and return on investment (ROI) are known upfont.
  - Facilitates benefits management and value realisation.

- Avoids current tactical approach that may result in the delivery of sub-optimal solutions and some level of wasted investment.

- Provides SWSi with a service that considers and manages students' digital experience irrespective of whether they are off-campus, on-campus on a wired or wireless network.

Migration Initiatives or Projects

- Service Definition for BYOD/Wireless/Student Experience

5.6 IT Resiliency

Recommendation 21 - Implement High Capacity links between Bankstown and Granville Data Centres

It is assumed that ICT Services will consolidate most of the infrastructure supporting critical applications to 2 computer rooms at Bankstown and Granville. For ICT Services to be able to provide the appropriate level of infrastructure support to SWSi critical applications and to leverage the existing server, storage, and other investment at these 2 data centres, it is vital that sufficient communications links are provided from and between each of these locations.

Additionally, it provides an important component in allowing SWSi to provide basic Internet services without relying on the current Internet services provided via ITD (see *Recommendation 24 - Internet Service*)

Expected Benefits

- Enables the leveraging of existing investment in server, storage, and other equipment to provide site redundancy and high availability to key SWSi applications that are reflective of their importance to the business.

Migration Initiatives or Projects

- Document a short Interim Data Centre Architecture (pre-requisite).

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• Implement High Capacity Carriage Services (Bankstown and Granville)

Recommendation 22 - Complete Data-Centre Consolidation to Bankstown, Granville and Macquarie Fields

This is an existing project currently being undertaken by ICT Services. It is presented here for the purposes of prioritisation and context for dependent recommendations below.

Expected Benefits

• Implements site redundancy and high availability for key SWSi applications that are reflective of their importance to the business.

Migration Initiatives or Projects

• Document a short Interim Data Centre Architecture (pre-requisite).

• Implement High Capacity Carriage Services (pre-requisite).

• Implement Site Redundancy for Moodle

• Implement Site Redundancy for SWSi Website

• Implement Site Redundancy for SharePoint

Recommendation 23 - Complete Business Continuity and Disaster Recovery Planning for IT

A Business Continuity and Disaster Recovery (BC&DR) Plan (the Plan) was initiated in 2012. It has never been completed or implemented. It is recommended that the plan is reviewed and completed in congruence with several other recommendations to enable high availability of core systems at Granville and Bankstown.

The Plan shall be considered complete when:

• A Production DR test for all core systems including Moodle, SWSi Website, SharePoint and CRM has been executed; and

• The Plan is integrated into the SWSi overall Business Continuity Plan (managed by SWSi Corporate Strategy & Governance).

Expected Benefits

• Critical applications will have appropriate and proven recovery plans.

Migration Initiatives or Projects

• Document a short Interim Data Centre Architecture (pre-requisite)

• Review the Complete BC&DR Plan from 2012.

• Undertake a failover test for all key ICT Services including SWSi Website, Moodle, SharePoint and CRM.

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Recommendation 24 - Implement Alternative Internet Service

One of the current issues of most importance to SWSi users is in accessing basic Internet services. This was raised as a critical issue by members from the Travel and Tourism faculty who found it difficult to conduct classes which require constant access to external travel reservation systems (such as Galileo and Amadeus)

Being able to use a fast Internet service is a basic yet critical requirement in the classroom today. SWSi should move to implement alternative Internet connectivity for at least the main campuses, with connectivity to ITD being maintained solely for accessing internal systems. This will not only mean that SWSi users will immediately experience improved productivity through faster connectivity, it will also remove the requirement to constantly re-authenticate with the ITD Internet proxy servers.

SWSi has already procured some Internet carriage services for some campuses. These, as well as the proposed larger carriage services at Bankstown and Granville can provide the platform to achieve this, however a network security design will need to be documented to ensure the most appropriate method of managing and forwarding traffic to the Internet versus DEC/ITD.

Expected Benefits

- Immediate improvement in user experience and productivity for an issue identified as important by SWSi users.

Migration Initiatives or Projects

- Network Security Design and Implementation Plan
- Implement Alternative Internet Service.

6 Prioritised Migration Plan

6.1 Proposed Stream and Delivery Block Approach

This section details a Migration Plan to implement proposed recommendations according to a prioritised improvement plan. It is proposed that an Migration Program (the Program) be implemented along 2 streams:

3. An *ICT Services Stream* that will mainly focus on shorter-term migration initiatives. These can generally be handled by the ICT Services in isolation (as part of the *Management function*).
4. A *Strategic Stream* that tries to address longer-term remedies including initiatives to improve governance that require the attention and cooperation of other SWSi groups outside of the ICT Services team alone (as part of the *Governance function*).

It is proposed that the Program groups the delivery of improvement projects into 6-month delivery blocks based on priority and order of precedence (dependencies).

- Proposed improvement projects that are of higher priority, shorter elapsed time for benefits to be realised and no dependency on other improvement projects have where possible, been placed in Delivery Blocks A (ICT Services) and C (Strategy).

- Proposed improvement projects that are of lower priority, longer duration time for benefits to be realised, have a dependency on other improvement projects and require significant collaboration with the IT Steering Group or other SWSi stakeholders outside of ICT Services are more likely to have been placed in Delivery Blocks B (ICT Services), D and C (Strategy).

Figure 9: Proposed Priority-Based Migration Plan

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6.2   Improvement Plan – ICT Services Stream (DRAFT)

Year	Priority	Proposed Improvement Project	Delivery Commit (Month)	Dependency	Effort (Days)	Elapsed (Months)	Capability Exists	Capacity Exists	Impl Plans Ready?
2015	Medium	Monthly Communication (Communicate Management Aims and Direction)	Month 1		-	-	YES	YES	N/A
2015	High	Interim Data Centre Architecture	Month 1		5	1	YES	YES	NO
2015	Medium	ICT Services Skills Audit	Month 2	Appoint Customer Service Manager (Service Desk Lead)	5	1	YES	?	NO
2015	Critical	Implement High Capacity Carriage Services (Bankstown and Granville)	Month 3	Interim Data Centre Architecture	15	2	YES	YES	NO
2015	Medium	BYOD/Wireless/Student Experience - Service Definition	Month 3		15	-	?	?	NO
2015	High	Network Security Design and Implementation Plan	Month 2	BYOD/Wireless/Student Experience - Service Definition	-	-	?	?	NO
2015	High	Implement Alternative Internet Service	Month 4	Network Security Design and Implementation Plan	-	-	?	?	NO
2015	Medium	Skills Improvement Plan - 2015	Month 5	ICT Services Skills Audit	2	3	YES	YES	NO
2015	Medium	Office 365 Pilot	Month 5		20	3	?	?	NO
2015	Medium	Desktop-as-a-Service Pilot	Month 5		20	3	?	?	NO

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Year	Priority	Proposed Improvement Project	Delivery Commit (Month)	Dependency	Effort (Days)	Elapsed (Months)	Capability Exists	Capacity Exists	Impl Plans Ready?
2015	Critical	Implement Site Redundancy for Moodle	Month 4	Implement High Capacity Carriage Services (Bankstown and Granville)	20	3	YES	YES	NO
2015	Critical	Implement Site Redundancy for SWSi Website	Month 5	Implement High Capacity Carriage Services (Bankstown and Granville)	15	3	YES	YES	NO
2015	Critical	Implement Site Redundancy for SharePoint	Month 6	Implement High Capacity Carriage Services (Bankstown and Granville)	20	3	YES	YES	NO
2015	Critical	Implement Site Redundancy for Other Services	Month 7	Implement Site Redundancy for Moodle	20	3	YES	YES	NO
2016	Critical	Complete DR Plan	Month 8	Interim Data Centre Architecture	25	3	YES	?	NO
2016	Critical	Execute DR Test	Month 8	Implement Site Redundancy for Other Services	15	3	YES	YES	NO

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6.3 Improvement Plan - Strategic Stream (DRAFT)

Year	Priority	Proposed Improvement Project	Delivery Commit (Month)	Dependency	Effort (Days)	Elapsed (Months)	Capability Exists	Capacity Exists
2015	Critical	Implement IT Governance Board (SWSi ICT Steering Group)	Month 0		5	1	YES	YES
2015	High	Appoint ICT Services Manager	Month 1		-	1	YES	YES
2015	High	Implement Enterprise Architecture Sub-Committee	Month 1	Implement IT Governance Board		1	?	YES
2015	High	Implement Benefits Management and Value Realisation processes	Month 1	Implement IT Governance Board (SWSi ICT Steering Group)	5	1	YES	YES
2015	Critical	Develop RACI matrix for Project Portfolio Management	Month 1	Appoint ICT Services Manager	5	-	YES	?
2015	Critical	Develop RACI matrix for Service Portfolio Management	Month 1	Appoint ICT Services Manager	5	-	YES	?
2015	Critical	Implement Project Portfolio Management	Month 2	Develop RACI matrix for Project Portfolio Management	5		?	?
2015	Critical	Implement Service Portfolio Management	Month 2	Develop RACI matrix for Service Portfolio Management	5	-	?	?
2015	High	Appoint Customer Service Manager (Service Desk Lead)	Month 2	Implement IT Governance Board	-	-	-	?
2015	High	Service Definition Brief for SWSi Key IT Service X	Month 2	Implement Service Portfolio Management	-	1	?	?
2015	High	Service Catalogue Item for SWSi Key IT Service Y	Month 3	Service Definition Brief for SWSi Key IT Service X	-	1	?	?
2015	High	Service Desk Activity Analysis Report	Month 5	Appoint Customer Service Manager (Service Desk Lead)	15	3	NO	NO

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Year	Priority	Proposed Improvement Project	Delivery Commit (Month)	Dependency	Effort (Days)	Elapsed (Months)	Capability Exists	Capacity Exists
2015	Critical	Requirements Definition for IT-Delivered Learning 2016-18	Month 5	Implement IT Governance Board	25	3	YES	?
2015	High	Define IT Strategic Plan to 2018	Month 6	Requirements Definition for IT-Delivered Learning 2015-17	10	2	?	?
2015	High	Review of ICT Costs	Month 5	Implement IT Governance Board (SWSi ICT Steering Group)	50	5	YES	?
2016	Medium	Future State Skills Gap Analysis	Month 7	Define IT Strategic Plan to 2018	15	2	YES	?
2016	Medium	Implement Timesheeting	Month 8	Review of ICT Costs	20	3	YES	?
2016	High	Develop Technology Road Map	Month 9	Define IT Strategic Plan to 2018	6	2	YES	?
2016	Medium	Transform ICT Services to Target State Structure	Month 10	Future State Skills Gap Analysis	30	2	?	?

-- end of report --

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Business case

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Issue
Include details of:
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Background
include where relevant details of:
    <other business considerations/impacts on other areas>
    <Relationship to the institute strategic plan>
    <Institute service delivery strategy>
    <Institute budget plan>

Current situation
include where relevant details of:
    <consequences of taking/not taking the proposed action>
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<Outline the issues, or argue on the issue outlined above, and alternatives>

Data sources

include where relevant details of:
    <feasibility studies/pilot projects>
    <consultant advice>
    <external proposals>
    <industry benchmarks>

Business case pro forma
Owner: Institute Director's unit
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version 4

Page 1 of 3
Last reviewed: January 2015

Assumptions & rationale

include where relevant details of:
> *<assumptions>*
> *<rationale>*

Alternative actions considered

include where relevant details of:
> *<alternative options for achieving objectives>*
> *<reasons for not supporting alternative options>*
> *<alternative objectives that may satisfy proposal needs>*
> *<reasons for not supporting alternative objectives>*

Risks & contingencies

include where relevant details of:
> *<market risk>*
> *<completion on time/on budget risk>*
> *<financial risk>*
> *<private sector partner risk>*
> *<environmental risk>*
> *<political risk>*

Analysis of results

include where relevant details of:
> *<impacts on business>*
> *<sensitivity of results to changes in assumptions, inputs, risks, etc.>*
> *<benefits needs analysis>*
> *<non-financial results >*
> *<surprising/unexpected results>*
> *<results that could be misinterpreted>*

Post implementation review

include where relevant details of:
> *<proposed review date>*
> *<proposed review participants>*

Financial implications
include where relevant details of:
> *<financial implications/comparisons>*
> *<quantification of income/costs/sale of assets/benefits>*

Consultation
include where relevant details of:
> *<discussions internal to Institute>*
> *<discussions external to Institute>*

Business case pro forma   version 4   Page 2 of 3
Owner: Institute Director's unit   Last reviewed: January 2015
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Links With
include where relevant details of
    <other sections/units>
    <other decision making groups>

Conclusion
    <state the case with supporting reasons>

Recommendation
    < Identify who should do what about this issue and by when >

Prepared By: <Your name>
Position: <Title>
Date: <Day/month/year >

Authorised By: <Name of your line manager>
Position: <Title>
Date: <Day/month/year>

Business Case is approved/not approved

Approved By: <Name of person or decision-making group>
Position: <Title>
Date: <Day/month/year>
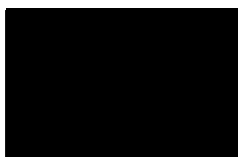
Business case pro forma   version 4   Page 3 of 3
Owner: Institute Director's unit   Last reviewed: January 2015
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`INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: Operation Sonet
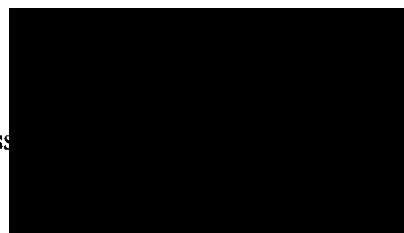
PLACE: **TAFE NSW Bankstown College**

NAME: **Neil Stralow**

ADDRESS: **500 Chapel Road, Bankstown, NSW**

OCCUPATION: **Financial Accountant, Finance Unit**

TELEPHONE NO: **Known to the ICAC**

DATE: **29 May 2015**

States: -

---

1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

2. My full name is Neil Francis Stralow and I am ██ years of age.

3. I have occupied the position of Financial Accountant at South West Sydney Institute (SWSI) for six years. My responsibilities include: accounts receivable transaction services, contracts, procurement, assets, fleet, financial administrative functions and external reporting. I report to Phil Martin, Director of Finance, SWSI.

Signature ████████████   Witness ████████████

Page 1 of 16

STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow

4. Two staff report directly to me. They are the Contracts Administration Officer and the Revenue Controller.

Policies and Procedures

5. SWSI staff are required to follow the Department of Education and Communities (DEC) policies and procedures. The procurement policies are reviewed every few years, and DEC is responsible for updating them. The current procurement and purchasing policies were in place in late 2013 and early 2014. SWSI staff are directed to reference the policies and procedures on the intranet, and on the job training is also provided for finance policies.

Finance Systems

6. SWSI uses the Shared Service Centre (SSC) in Paramatta, which provides accounts payable services for the whole of DEC Corporate, TAFE and 229 schools. The services provided include all invoicing and payment to vendors and master data maintenance of all vendor and debtor records.

7. SWSI also uses the finance system SAP, which is used by TAFE NSW and DEC. The entire process of purchasing goods and services from a vendor is electronic, and there are no manual forms or records.

Signature⎽ ⎽⎽ Witness

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STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow

Vendor Creation Process

8. The Finance Department uses the SAP finance system for vendor creation. A Unit
    at SWSI may indicate they wish to purchase goods or services from a supplier who
    is not a registered vendor by completing an online vendor creation form, which lists
    the vendor's details. Some form of supporting documentation from the vendor has
    to be attached to the online form, which can be a quote or another document with
    the vendor's name, address, ABN and bank account details. The online form and
    attached documentation is submitted electronically to my position, unless I am
    absent and the request is passed its expiry date. If I am absent and do not action the
    request within three working days the request is automatically escalated to my line
    manager – the Director Finance at the Institute.

9. I check the vendor details to see whether they are an employee of SWSI. This is
    done by searching for the name of the vendor or their nominated contact in our
    email global address book. I also check whether the ABN matches the name on the
    vendor creation form, and whether the ABN links to any information on the
    Australian Securities and Investments Commission (ASIC) website that identifies
    an SWSI employee. If no information is uncovered that links the vendor to an SWSI
    employee, I approve the form. The form is then electronically sent to the Shared
    Service Centre which then checks that the vendor name matches the name on the

Signature ▮▮▮▮▮▮▮▮ Witness ▮▮▮▮▮▮▮

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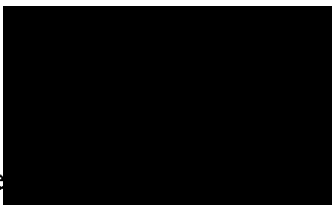
STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow
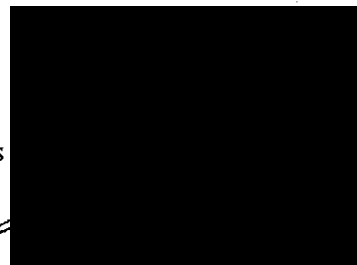
ABN registration and that the ABN is current to ensure it is a valid company. If the vendor passes these checks, the vendor is created on the system with an associated unique identifier number, and the original requestor receives an email notifying them of this.

10. All SWSI staff can submit a vendor request on the SAP system, since they all have a procurement profile, except part-time and casual teachers. When submitting a vendor request, staff are not required to gain approval from their immediate superior.

11. In most cases, a vendor cannot be paid without having been created as a vendor in the SAP system. The only circumstances in which a vendor does not have to be established in the SAP system is when a vendor is used once, but that never occurs in relation to goods or services. It only occurs when making payments to students for example for awards or refunds of fees.

12. Vendors will always remain active in the SAP system, unless they are blocked for some reason. The only time vendors have been purged over the last five years was when the finance systems were changed on two occasions and all vendors who had remained inactive for at least two years were removed.

Signature   Witness

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STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow

Purchase Order Processes

13. In order to create a purchase order, the original requestor of goods or services should firstly check whether the goods or services are available in government contract, which can be done by looking at the catalogues linked to the SAP system. It is up to the line manager who approves the requisition to ensure that procurement policies are followed including purchasing from in contract suppliers where available. If the vendor has not been used before, the vendor creation process will have to be completed before the purchase order can be raised. The original requestor then creates what is known as a 'shopping cart' in the SAP system, which is either populated by the catalogue of government contract suppliers or the requestor can type in their requirements, including the vendor, the cost centre, cost assignments and account codes. The shopping cart is similar to an online requisition. The requestor also selects the delivery address from a drop-down menu of options, and should attach a quote if the goods or services required are not available in government contract. Anyone in the ICT Unit, and virtually any SWSI staff member can request a purchase order except for part time casual teachers.

14. The purchase order request is submitted to the requestor's line manager for approval if it is within their delegation. If the purchase request value exceeds the line manager's delegation, it is automatically sent to the person with the next higher level of delegation until the approver with an adequate delegation level has been

Signature _____ Witness

STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow
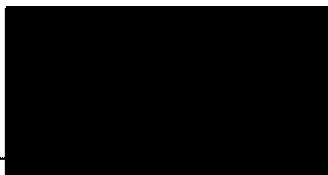
reached. Ronald Cordoba, as the Acting Regional Manager, ICT had a delegation of $150,000, the Associate Institute Directors have a delegation of $150,000 each and the Institute Director has a delegation of $500,000. The delegation system in SAP is based on role levels, as opposed to individual names, and are in accordance with the *Public Finance and Audit Act 1983*. Delegation levels cannot be exercised unless funds are under the approver's control.

15. All Cordoba's orders were less than $150,000. Where purchases exceeded $150,000 they were split into separate orders less than $150,000.
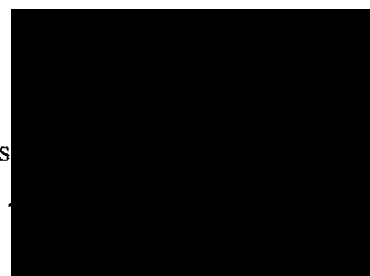
██ Budgets are allocated for projects and for general operating expenses. Approvers are expected to check that they have remaining funds in their budget/s before approving purchases. Whilst SAP does contain budget and expenditure against the budget/s it does not warn or prevent an approver from approving a purchase if there are insufficient funds. Approvers should only approve expenditure from funds under their control. If a purchase is approved from funds not under their control the manager where the expenditure is charged should detect this and advise Finance.

17. For every purchase order that was raised for ITD Pty Ltd, the requestor was the ICT Coordinator, Sharon Ambrose and the approver was Mr Ronald Cordoba. This is not unusual, since it is part of Ms Ambrose's role to request purchase orders, and Mr Cordoba holds the appropriate delegation to approve these requests.

Signature ███████████   Witness ███████

STATEMENT IN THE MATTER OF: Operation Sonet
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18. Once the purchase order request is approved by the line manager, it is submitted to the Shared Services Centre, where the purchase order is generated and sent to the supplier via whatever method is stipulated in the vendor master record. A unique vendor identification number is included on the purchase order by the SAP system.

19. The purchase order is not sent to the original purchase order requestor, but they can enter the SAP system and print a copy. They can also track the purchase order request in SAP to see when it has been approved and when the purchase order has been issued to the supplier.

20. Expenditure can never exceed the value of a purchase order. If a change is required to be made to the original purchase order, the requestor edits the purchase order request in the SAP system, and submits it to the approver of the original purchase order request. Once approved, the amended purchase order request is submitted to the Shared Service Centre who sends the supplier the new purchase order.

Invoicing and Payment Processes

21. The supplier is supposed to send the invoice to the SSC. There are occasions when the supplier sends the invoice with the goods or services to the delivery location, in which case the person receiving the goods forwards the invoice to the SSC. Any staff member at the delivery location can enter a 'goods receipt advice' when the

Signature_____   Witness

STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow

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goods or services are received. The same person can request a purchase order and verify receipt of goods. The SSC should then conduct a 'three way check' to ensure the purchase order, invoice and goods receipt all match before the vendor is paid. The three way check satisfies section 13 of the *Public Finance and Audit Act 1983*.

22. The Finance Unit expects the SSC to check that an invoice is a valid tax invoice and to ensure the three way check, of purchase order, good receipt and invoice is done.

23. Over the last six months or so, we have been receiving goods, which are linked to purchase order requests which were approved by Ronald Cordoba, Acting Regional ICT Manager, SWSI. A receipt of goods form existed in the SAP system and the items were paid for prior to their arrival.

24. The practice known as "invoice splitting" breaches the Department's procurement policy. The practice of "invoice splitting" involves raising a number of purchase orders and/or tax invoices to purchase goods or services so that the monetary value falls within the Line Manager's financial delegation levels. Many believe that the practice of splitting invoices streamlines the process of obtaining goods or services.

25. The practice of "invoice splitting" was detected when the Finance Department was audited a couple of years ago by Department of Education and Communities'

Signature_____ Witne

STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow

internal auditors. The Finance Unit does not have any software or mechanisms in place to detect invoice splitting, due to lack of resources. Consequently, a reminder was broadcast to all Institute staff reading purchasing policies.

26. There would never be an opportunity to bypass the checks of the Accounts Payable processes if an emergency payment was required, since the SSC conduct a payment run every day. A vendor can be created in the SAP system and payment to that vendor can be made by following the appropriate processes in the span of a day. There is an urgent payment request form on the SSC website, but this is not used to pay vendors. The Finance Unit at SWSI is not equipped to make payments, since there is no Institute bank account. There is one bank account for TAFE NSW which is managed by the Shared Service Centre.

27. SWSI do use and issue corporate credit cards, but they are not used for substantial purchases from vendors. Most of the Faculty Directors, the Associate Institute Directors and the Institute Director have corporate credit cards. The default limit for which is $2,000. The default limit can be increased if a request is submitted.

28. Petty cash ceased approximately three years ago. Staff are able to claim "Out of Pocket" expenses by completing an expense claim form in SAP, attaching their receipts, and submitting this for approval to their line Manager. Once approved, the expense claim is submitted to the SSC for payment.

Signature _____ Witness

STATEMENT IN THE MATTER OF: Operation Sonet
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29. The internal auditing function transferred from DEC to TAFE NSW in 2014. TAFE

NSW have not conducted any internal audits, and instead contracted this work to

Ernst & Young who conduct the audits every two years. SWSI is also audited by

the Audit Office of NSW, but this auditing is not at the transactional level.

Procurement Processes

30. In order to commence a project, a business case is to be approved by the relevant

Associate Institute Director who then submits it to the Board for approval. The only

person from the Finance Unit who attends the monthly Board meetings is Mr. Phil

Martin – Director Finance. I have seen a submission prepared by the then Associate

Institute Director of People, Planning and Performance, John Humphrey,

supporting Ronald Cordoba's submission for ICT capital expenditure. I believe that

the Institute's ICT Services Unit through Ronald Cordoba was seeking funding for

ICT capital expenditure for approximately $2.5 million for the 2013-2014 financial

period. The Board approved this business case study in February 2014. Some other

projects also contained an IT component within them which ICT Services

purchased from ITD Pty Ltd on behalf of the submitter (eg IT components in

flexible learning centres per the Organisational Redesign submission and digital

signage in the Marketing Collateral submission.

Signature ███████████ Witness

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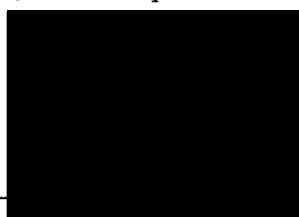
STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow

31. The general purchasing policy stipulates the following thresholds for procurement, only if the goods or services are acquired outside of government contract: up to $30,000 requires one written quote, $30,000- $150,000 requires three written quotes and over $150,000 must go to tender. These thresholds apply per individual purchase. The person requesting the goods or services sources the quotes and can scan them and attach them to the shopping cart request in the SAP system. The SAP system does not enforce the attachment of quotes, and the purchase order request will be sent to the SSC if approved by the line manager. It is the responsibility of the approving line Manager to check the quotes, and the Finance Unit do not see the quotes.
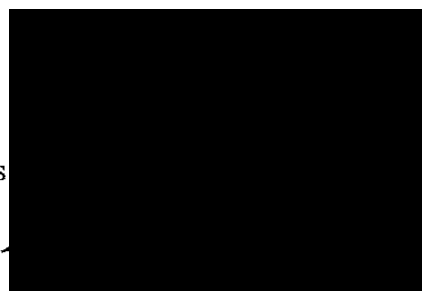
32. The Finance unit does not monitor shopping carts and is not aware if quotes were obtained. It is the responsibility of the approving manager to ensure procurement policies are followed including the sourcing of quotes where requied. All approving managers should be aware of the procurement policies regardless of their level and should ensure that those policies have been followed before approving any purchase.

33. The tender process used by SWSI is the DEC procurement process, the manual for which is located on the DEC website, the SWSI intranet and there is a link to this document in the SAP system. The DEC procurement directorate run the tender process, sit on the procurement panel and convene it. The Finance unit coordinates

Signature⬛ Witness⬛

this activity between the section requesting the goods and DEC Procurement Directorate.

34. The Finance Unit at SWSI has oversight of Mr Cordoba's ICT project budgets, and submits reports on it. The budget is comprised of all items that are to be purchased with the allocated project funds, and Chen Cai, Finance Management Officer, SWSI monitors the SAP system to see when purchase orders are raised and payments are made that correspond with the item components of the budget. For example, if the budget lists 120 PCs, the ICT Unit should provide Ms Cai with the purchase order number. Ms Cai will then track this purchase order in SAP to ensure it is for the amount stipulated in the budget and when it is paid.

35. For a substantial project, some items may be over or under their budgeted amount, but if their cost does not differ greatly from the budgeted amount no action is taken, since Ms Cai's main focus is to ensure the overall budget for the project is not exceeded.

36. Contingency budgets are contained within SWSI, but are not included in individual project budgets. If it can be predicted that the total budget amount will be exceeded, the Finance Unit notifies the relevant Associate Institute Director, and queries whether money should be allocated from the contingency budget or somewhere

Signature ▂▂▂▂▂▂▂▂▂▂▂ Witness ▂▂▂▂▂▂▂▂▂

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NAME: Neil Stralow
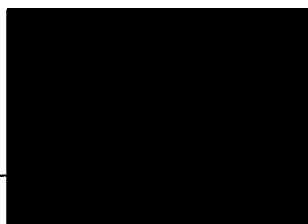
else. Actual expenditure for each project is monitored against specific funds set aside. Mr Martin can provide more detail if needed.

Asset Maintenance and Asset Register
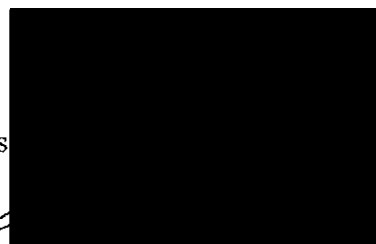
37. With regards to disposal of end of lease or replaced IT equipment, there is a DEC policy, which does not allow for employees or contractors to remove equipment for their own purposes. If an employee or contractor wishes to use equipment for their own purposes, they would have to purchase it at an auction. There are no negotiated sales to individual staff. The Contracts Administrator Officer enters the details of the auctioned items into the SAP system.

38. The process for maintaining and updating the asset register is oversighted by Peter Beacham. Contracts Administrator Officer, SWSI who reports directly to me. The Unit that received the goods completes an online asset creation form in the SAP system, which is submitted to Mr Beacham and his staff in the assets area within the Finance Unit. There is no way to ensure that for all goods received, an assets creation form is submitted. If there is a bulk supply of items, a spread-sheet can be attached in the SAP system. The assets staff then checks that all relevant information has been supplied and approve the form. The SAP system then allocates a barcode for each item, which the Unit that received the goods is responsible for printing and placing on the correct item.

Signature_____ Witness

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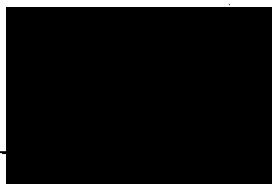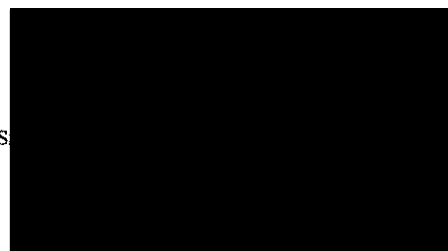
STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow

39. If an asset cost $10,000 or over, the details of that particular item have to be sent to Mr Beacham who ensures that correct classification of the purchase as a capital item and the correct coding for depreciation is entered into SAP, and the system will create the item in the asset register automatically. This process occurs because Assets over $10,000 are regarded as capital and depreciated monthly therefore the Finance unit needs to make sure they are entered in the SAP system with the correct coding. The relevant barcode is sent to the Unit that has the equipment. Policy does not require low value items to be recorded in this way unless they are attractive to theft. In addition if we recorded all items we would then need to stock-take all items – this would be a very time consuming and difficult task for items with low values.

40. The asset register information is used for stocktakes, which are conducted at all our sites every year. A copy of the asset register is downloaded into scanners, which are used to scan the barcode on the physical items. Mr Beacham or one of his staff visits the Colleges every year and re-trains the relevant staff in the correct stocktake process. For example, it is explained that you have to enter into the scanner which room you are in. The people who conduct the stocktakes at the Colleges are usually Facilities Officers.

41. The Asset Register only records information pertaining to the condition of the assets or the last time they were updated or underwent maintenance work for assets that cost at least $10,000.

Signature_____   Witnes

STATEMENT IN THE MATTER OF: Operation Sonet
NAME: Neil Stralow
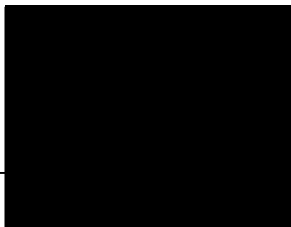
42. A needs assessment is conducted prior to the purchasing of some equipment, whilst other equipment is stored in anticipation of future needs. For our annual equipment funds allocation process there is an annual process to determine what equipment is required, which is a budget driven process. The Board firstly determines the budget for equipment purchases the following year. The various facilities and teaching sections then submit bids to a central committee, who places them in order of priority and approves the purchase of equipment by following the list down the priority order until the budget is exhausted.

ITD Pty Ltd / ITD Systems
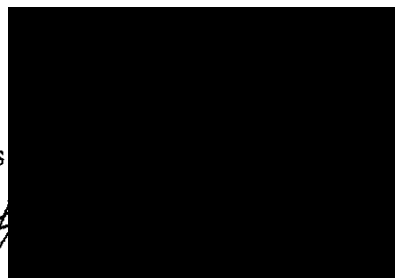
43. I was reviewing another vendor being used by the ICT Services Unit when I discovered a large number of purchase orders being raised for a non-government or "Out-of-Contract" supplier trading as ITD Pty Ltd. I noticed that all the purchase orders were raised by ICT Co-ordinator, Sharon Ambrose, and had been approved by Ronald Cordoba.

44. After requesting some of the invoices for ITD Pty Ltd from the SSC, I noticed that the documents contained the business email address; accounts@itdsystems.com.au

Signature_____ Witness

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E14/1727/072/0001

Sensitive

INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

PLACE:	**BANKSTOWN**
NAME:	**Chen CAI**
ADDRESS:	**Known to ICAC**
OCCUPATION:	**A/Management Accountant- TAFE NSW - South Western Sydney Institute**
TELEPHONE NO:	**Known to ICAC**
DATE:	**02/06/2015**

States: -

1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

2. I am ▮ years of age.

3. I am currently employed as A/Management Accountant with TAFE NSW – South Western Sydney Institute (SWSI). I have occupied this position since January 2013. My substantive position is Resource Analyst, which I have held since October 2006.

Signature_____ Witness

Sensitive

STATEMENT IN THE MATTER ~~OF. Operation~~ Sonet - File No. E14/1727
NAME: Chen CAI

4. In my current position as A/Management Accountant – SWSI my responsibilities involve reporting on and preparing budgets for all Units within SWSI and providing advice to Finance and relevant Business Units for budget decisions.

5. I make this statement from records held by TAFE NSW – SWSI and other Departmental records which I have access to, and that I am authorised to comment upon. These records are kept in the normal course of business and are true and correct to the best of my knowledge and belief.
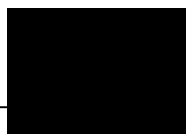
Accounts Payable Process

6. I do not engage directly with the accounts payable processes, but I am familiar with them.

7. Prior to payment for purchases, the Shared Service Centre (SSC) conducts a three-way match with the purchase order, invoice and receipt of goods. We do not pay for items prior to their delivery.
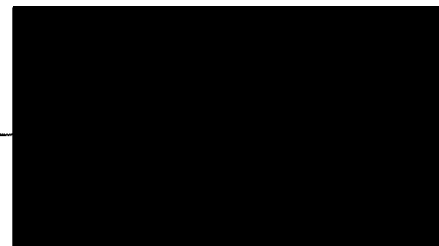
Vendor Creation Process

8. In order to establish a vendor in SAP, the vendor maintenance request form must be submitted in SAP and workflow to the Finance Unit via SAP for approval. The vendor's details are to be listed on a 'Vendor Request Form', including the company's address, phone number and ABN. This form is to be accompanied by a

Signature ▮▮▮▮   Witness ▮▮▮▮

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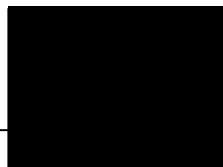
document provided by the vendor, which verifies these details, such as a

letterhead.

9. The Finance Unit checks whether the vendor is an employee of SWSi by checking

the email address book and searching the ABN on the Australian Securities and

Investments Commission (ASIC) website. If the Finance Unit approves the vendor

request, it is then sent to the SSC via SAP.

10. The SSC check the ABN to ensure the vendor is a valid company. Once a vendor

request has passed the appropriate checks, the SSC establishes the company in

SAP.

11. Dormant vendors were purged when SWSI commenced using SAP in 2010. The

SSC is responsible for the process of purging dormant vendors.

12. To update a vendor's details, the same process that is used to establish a vendor in

SAP must be undertaken, including the same checks conducted by the Finance

Unit and the SSC.
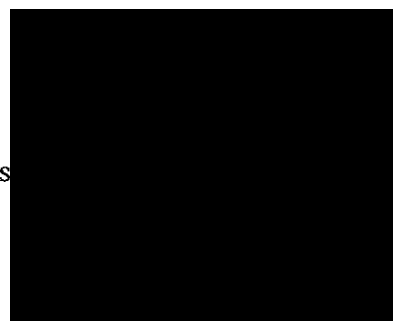
Out of Contract Suppliers

13. All Business Units are supposed to use 'In Contract' vendors when one is

available for the item they are purchasing. There are no circumstances that would

warrant the use of an 'Out of Contract' vendor when an 'In Contract' vendor is

available.

Signature⎽⎽⎽⎽⎽⎽ Witness
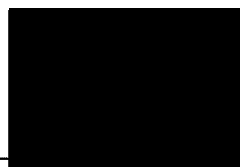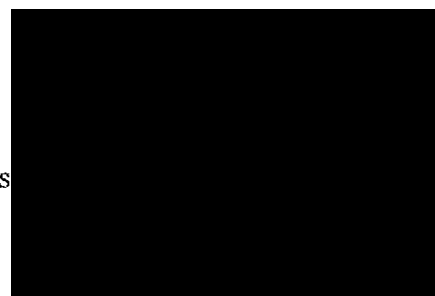
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STATEMENT IN THE MATTER ᴏꜰ. ᴏᴘᴇʀᴀᴛɪᴏɴ Sonet - File No. E14/1727
NAME: Chen CAI

14. I do believe there is confusion amongst staff in relation to which vendors are 'In Contract', due to the fact that upon selection of a vendor, SAP does not differentiate between 'In Contract' and other vendors which have been established in the system. Also, some vendors are only partly 'In Contract', since they can only provide some of their products on an 'In Contract' basis. It is up to the user to open the DEC procurement home page link which is available in SAP Portal – "Purchase to pay" tab when creating a purchase order request, and to search the catalogue of 'In Contract' vendors.

15. The only safeguard against the use of an 'Out of Contract' vendor is the line manager's refusal to approve a purchase order request. There are no automatic safeguards in SAP to prevent the request to use an 'Out of Contract' vendor.

16. It is considered each Business Unit's responsibility to ensure that 'Out of Contract' vendors are used appropriately.

17. Once an 'Out of Contract' vendor has been established in SAP, there are no safeguards to prevent their excessive use, apart from a line manager's refusal to approve purchase order requests.

18. The only oversight the Finance Unit has in relation to the use of 'Out of Contract' vendors occurs when a section asks for information or seeks clarification on the issue.

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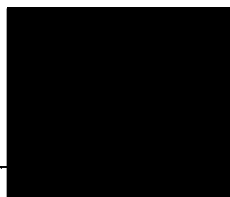
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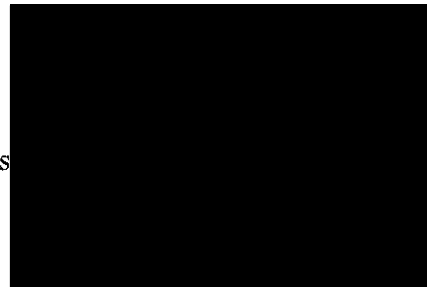
Invoices and Purchase Orders

19. The Finance Unit advises staff to not practise purchase order splitting, since it is against policy.

20. The practise of splitting purchase orders based on the delivery location of items does not assist with the asset register process. I am not aware of why some staff may believe that purchase order splitting assists the Asset Register process.

21. In contrast to splitting purchase orders based on different locations, it is often more convenient, in order to distribute items efficiently, to create one purchase order and request that items be delivered to one location. This location may be different from where they will be used or stored. For instance, sometimes IT equipment is delivered by a supplier to one central location, prior to collection and dissemination by IT Officers.

22. There are no mechanisms within the Finance Unit or elsewhere within SWSI or TAFE NSW for detecting purchase order or invoice splitting.

23. I have no oversight of purchase order splitting in my role, since the reports I produce only contain high level detail, such as how much was allocated to each cost centre. I have the required access to view individual purchase orders and suppliers, but I usually do not view these details unless I have an inquiry about particular expenditure.

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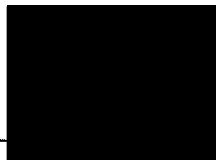
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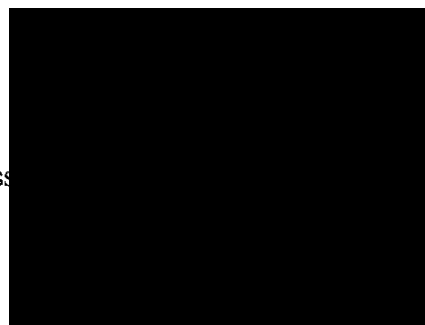
Budget

24. Each budget is identified by a separate cost centre.

25. I compare expenditure against cost centres on a monthly basis, although I do this more frequently towards the end of the financial year. I just analyse the 'bottom line' figures, and not what items are being purchased and from which vendors.

26. We do not have the ability to identify expenditure to 'Out of Contract' vendors because the system cannot separate this expenditure from 'In Contract' expenditure. Our report has all expenditure against each cost centre, and does not identify whether a supplier is 'In Contract' or 'Out of Contract'.

27. SAP does allow staff to exceed an allocated budget, but the over expenditure would be identified and addressed within a month. The relevant Business Unit or Faculty would be questioned at a meeting that occurs monthly, on the basis of the budget reports I update monthly.

28. The only occasion where it is acceptable to exceed an allocated budget is under special circumstances. For instance, if a teacher is sick and a temporary replacement is hired. However, such occurrences are closely monitored.

29. In the rare instance that a line manager approves purchases from a budget which is not under their control, it would be a mistake. This situation could be easily rectified by the manager responsible for the budget requesting that the funds be

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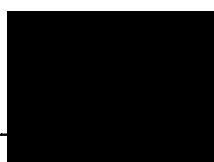
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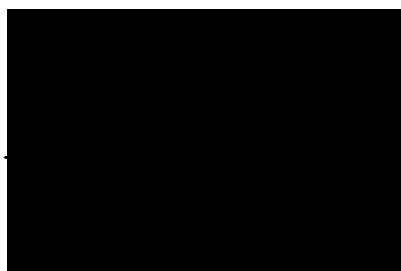
returned and drawn from the correct source instead. The Finance Unit perform the journal transfer, which ensures this transaction occurs.

30. It is the responsibility of the line managers to determine whether funds have been mistakenly drawn from a budget under their control. Line managers can easily identify in SAP who raised a purchase order against their budget.

31. Most staff are only familiar with the cost centres relevant for their own Unit, and it is therefore very rare that funds are drawn from a budget which is not under their control.

32. SAP requires staff to nominate a cost centre when requesting a purchase order, which indicates the budget the payment will be drawn from.

33. Ronald Cordoba's ICT 'Capability Building Project' was allocated a separate cost centre from that used for the ICT Unit operational budget. The cost centre allocated to the ICT 'Capability Building Project' was also used by other Capability Building Projects throughout SWSI. Each of the Capability Building Projects are identified by a unique internal audit number.

34. Expenditure from the ICT 'Capability Building Project' budget appeared to be on track, and there was no cause for concern.

35. Expenditure from a budget can exceed or come to a total value below the allocated amount, subject to the total value of budgets for the relevant Business Unit meeting the 'bottom line'.

36. Operating expenditure budget is managed and monitored separately to the special projects. Within the special projects, if one project in the ICT group is underspent

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for some reason, the available funds could be used to offset another project if it is overspent. All special projects' expenditure against budget have been closely monitored and discussed if under expenditure or over expenditure occurs.

37. I participate in preparing a quarterly performance report for the Board meetings, which is presented at the meetings by Phil Martin, A/Director Finance.

38. I have not viewed any predefined budget milestones for projects. The budgets for projects which I am responsible for are based on financial years, and not milestones.

39. All project budgets are available in their entirety upfront.
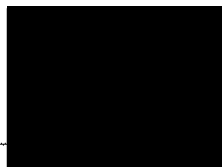
40. I am not aware of any analysis that occurs upon completion of a project, apart from the report I provide on how much was spent.

EXHIBIT: I PRODUCE A COPY OF THE EXPENDITURE REPORT THAT WAS PROVIDED TO THE BOARD FOR ALL SPECIAL PROJECTS WHICH INCLUDES THE ICT 'CAPABILITY BUILDING PROJECT' THAT RONALD CORDOBA MANAGED.
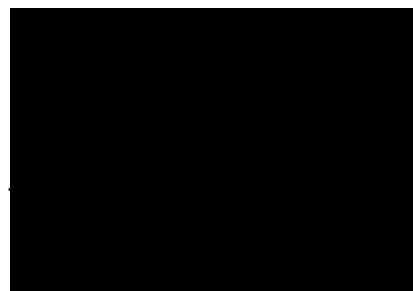
Procure to Pay Processes

41. Phil Martin, A/Director Finance provides me with a copy of the Business Cases which have been approved by the Board, and I allocate funds to an appropriate budget, in accordance with these Business Cases.

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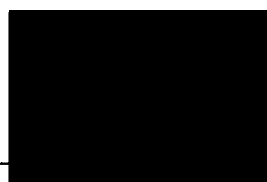
42. In some cases, there is consultation with Finance regarding the available budget, prior to Business Cases being submitted to the Board.

43. I am not familiar with the needs assessment processes which justify the Business Cases.

44. A third party has never been engaged to verify the details contained in a Business Case or the associated project documentation.

45. The only safeguard to ensure that the appropriate quotes are provided in accordance with the procurement policy when a purchase order request is submitted is checks conducted by the approving line manager.

46. To my knowledge, the analyses of quotes prior to approving a purchase order request is the only check a line manager performs to ensure that an item is value for money.

47. I provided the following advice to Ronald Cordoba: *"push some big items to this financial year instead of looking for more money in the next year"*. The intention of this statement was to advise Ronald Cordoba if there is plan to purchase big equipment, it will then be given priority to both purchase and receive the equipment in this financial year, forwhich we have the funds available.
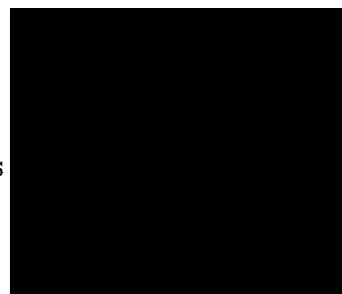
Assets Management

48. When a staff member receipts the delivery of an item in SAP, it is not automatically recorded on the Asset Register, since the SAP purchasing module

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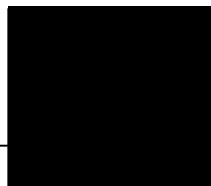
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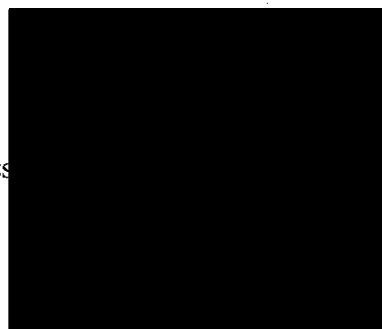
and the Asset Register module are not linked. Most items purchased by SWSI are consumables as opposed to assets.

49. In order to record an item on the Asset Register the Business Unit that received the item is required to submit a form with a line manager's approval via SAP to the Finance Unit. The Finance Unit then update the asset register with the details of the item listed on the form.

50. It is the responsibility of the Business Unit that receives an item classified as an asset to ensure that the asset is recorded on the Asset Register.

51. A stocktake occurs every twelve months, which is based on the information in the Asset Register. If an item is not listed in the Asset Register, and not physically present, it will not be identified by the stocktake process as missing.

52. If items are physically present, but not listed on the Asset Register, the Asset Register will be updated to include this sighted item.

53. The Asset Register is not checked against any budgets, Business Cases or project documentation to verify the purpose of the equipment.

54. When SWSI conducts resource planning, the asset register is checked before new equipment is planned.

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STATEMENT IN THE MATTER OF Operation Sonet - File No. E14/1727
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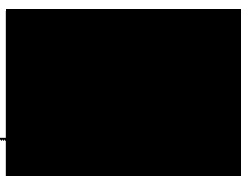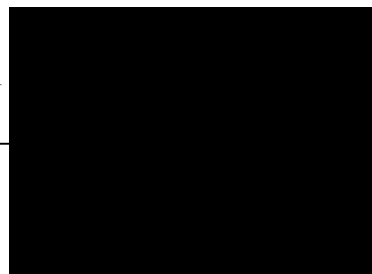
Company Code	Vendor	Document Number	Reference Key	Document Type	Document Date	Invoice receipt date	Posting Date	Clearing date	Text	Amount in doc. curr
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1020	100139152	5100006245	5100100070201.5	RE	27/05/2014	26/06/2014	12/07/2014	15/07/2014	PO#907875-Macquarie Fields TAFE-ICT Services Unit	-40,964.00
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1020	100139152	5101686644	5106903122201.4	RE	24/03/2014	29/04/2014	29/04/2014	1/05/2014	PO#865924 BANKSTOWN TAFE	-88000.00
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										-1,709,904.90

INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

NAME: **Phillip MARTIN**

ADDRESS: **500 Chapel Road Bankstown**

OCCUPATION: **A/Director Finance- TAFE NSW - South Western Sydney**

                  Institute

TELEPHONE NO: **9796 5451**

DATE: **17 July 2015**

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1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

2. I am ▇ years of age.

3. I am currently employed as A/Director Finance with TAFE NSW – South Western Sydney Institute (SWSI). I have occupied this position since January 2013. My substantive position is Management Accountant, which I have held since July 2008.

4. In my current position as A/Director Finance – SWSI my responsibilities involve providing support to senior Institute management and staff on all Institute finance

Signature   Witness
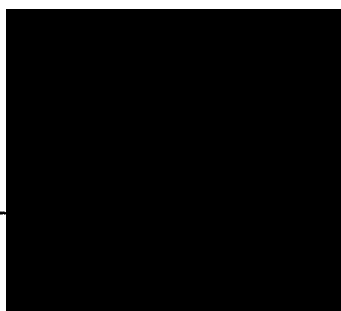
issues, policies, procedures and practices, strategic planning advice on the Institute's resource management and allocations, control of budget, sourcing of funds, statutory compliance and internal control as well as management of the Institute Finance Unit. I report to Sylvia Arthur, Relieving Director of People, Planning and Performance, SWSI.

5. I make this statement from records held by TAFE NSW – SWSI and other Departmental records which I have access to, and that I am authorised to comment upon. These records are kept in the normal course of business and are true and correct to the best of my knowledge and belief.
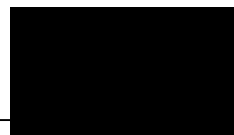
Needs Assessment

6. The annual needs assessment process for equipment is not associated with the process for the development of Business Cases. The annual needs assessment process is determined by funds available and informed by historical spending patterns and needs for equipment across various categories. For IT equipment specifically, this needs assessment process would be informed by ICT Services' developed equipment replacement requirements. For example, schedules of age and warranty coverage of PCs. Only if there is a requirement to purchase additional equipment over and above the initial equipment allocation is a project proposal required.

Signature _____   Witness _____
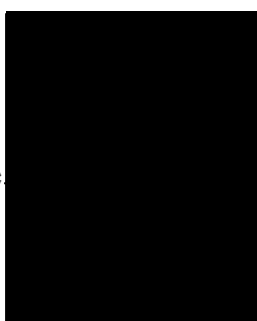
age 2 of 4

7. The Capital Asset Strategy Reference Group (a sub-committee of the Institute Board) identifies the overall focus and priorities of IT needs in relation to building works, for example flexible learning centres. This group includes the Institute Director, two Associate Directors, Director Learning Environment (representing colleges), Manager Asset Management, Manager ICT Services, Director Finance and representatives from Strategy & Governance Unit. The group has been operable since December 2013. Business cases relating to capital assets which include ICT components are submitted to the Capital Assets Strategy Reference Group. It also would review specific ICT only business cases prior to their submission to the Board. Faculties, colleges and units submit projects which include IT components.

8. The ICT Reference Group was disbanded in March 2013. This group reviewed ICT Business cases prior to going to the Board. The ICT Reference Group also reviewed business cases submitted by other Units which contained IT components. I am aware that, as part of an independent review of Institute ICT operations, there is an intention to reinstate an ICT Reference Group or ICT Capital Asset Strategy group.

Business Cases

9. When one specific supplier has been nominated to provide goods or services in a business case checks are conducted to ensure the goods are procured within

Signature ▮▮▮▮   Witness ▮▮▮▮

Page 3 of 4

government contract where possible prior to approval. Where goods or services are not unique then a check is not made at this stage but should be made by the authorising officer of the purchase order requests via the SAP shopping cart.

10. The Business Case which included the ICT Capability Project did not specify equipment that could only be provided from a specific single supplier. Therefore no checks were conducted at this point to ensure an 'In Contract' vendor was used as one would be chosen at a later stage. This specific check to ensure an 'In Contract' vendor was used would then have been conducted by the line manager when approving the purchase order requests.

Project Budget Variations

11. In April 2014, additional contingency funds of $2m were made available by the Director Finance for IT equipment. The purpose of this was to extend and complete projects already underway from the original business cases, predominately flexible learning centres, upgrades to routing, switches and bandwidth and wireless reception. The ICT Capability Building Project managed by Ronald Cordoba was one of the projects which received these funds.

12. Prior to the provision of the additional funds, a review was undertaken to ensure that the Institute would not exceed the budget at Financial Year End.

13. A review of project expenditure was also undertaken prior to providing the funds, to ensure there would be no material over-expenditure on projects' budgets by Financial Year End.

Signature⌐

Witness ⌐

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INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

PLACE: WETHERILL PARK

NAME: James Martin BRASSIL

ADDRESS: Known to ICAC

OCCUPATION: Director of Human Resources - TAFE NSW - South

Western Sydney Institute

TELEPHONE NO: Known to ICAC

DATE: 22 July 2015

States: -

1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

2. I am ▮ years of age.

3. I am currently employed as the Director of Human Resources with TAFE NSW – South Western Sydney Institute. I have held this position since 2006, approximately nine years, but with approximately two years spent acting in the position of Associate Institute Director and a three year absence on an overseas

Signature ▮▮▮▮▮   Witness ▮▮▮▮▮

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

NAME: James Martin BRASSIL
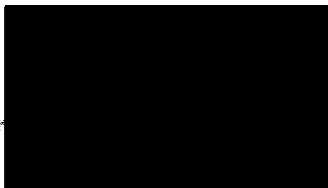
posting. My overseas posting was for the period between August 2008 till November 2011 on a TAFE International project in the United Arab Emirates.

4. In my current position as the Director of Human Resources with TAFE NSW – South Western Sydney Institute my responsibilities involves a mix of strategic and operational Human Resources and Work Health and Safety services. I have a broad Human Resource role encompassing areas such as recruitment and selection; performance management; industrial relations; human resources advisory services; change management; complaints and conduct and the Work Health and Safety function for the Institute. I am also responsible for a range of transactional services around employee conditions and salary and allowance payments.

5. I make this statement from records held by TAFE NSW – South Western Sydney Institute and other Departmental records accessible and which I have access to, and that I am authorised to comment upon. These records are kept in the normal course of business and are true and correct to the best of my knowledge and belief.
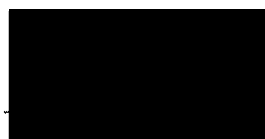
Recruitment; Selection; and Induction

6. The recruitment of new employees falls within my area of responsibility (Human Resource Unit).

Signature ▮▮▮▮▮▮▮▮▮▮   Witness ▮▮▮▮▮▮▮▮▮▮
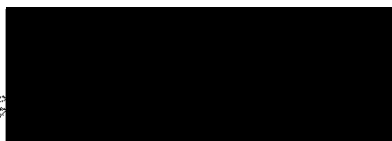
STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

NAME: James Martin BRASSIL

7. I only recently became aware of the fact that Ronald Cordoba has a criminal conviction.

8. Criminal records checks are conducted for all potential new employees, or if there is a change in the status of an existing employee from Temporary/Casual to Permanent, or vice versa. We do not conduct checks on existing TAFE NSW employees who are acting in a position within the Institute on higher duties, or on a temporary secondment basis. In the context of the NSW Government Public Sector Cluster that TAFE NSW was a part of until 30 June 2015, if an employee is being engaged from a Department of Education and Communities (DEC) Corporate Unit where positions are deemed not to be child related employment and therefore may not have had a prior criminal records check undertaken, then a new check is conducted in this circumstance. An additional check would not be conducted for any employee who gains a promotion on a permanent basis.

9. The current process for gaining a working with children check (WWCC) clearance for employment with TAFE NSW involves the person completing and lodging an online application, they then attend an office of the Roads and Maritime Service Department (which I understand to now be 'Service NSW') to pay for the WWCC. Once they receive this clearance, which provides them with a WWCC number, they forward this to the SWSI HR Unit. The individual is also required to complete the necessary compulsory forms (Crimtrac form and

Signature ██████████████ Witness ██████████████

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

NAME: James Martin BRASSIL

Declaration for a National Records check) as well as provide 100 points Proof of identity. Once all forms are completed and returned to the HR Unit, a member of Workforce Services team of the HR Unit enters the data into the online database. The outcome is that an application will return as either 'cleared' or 'on inquiry' as advised by the Probity and Risk Unit - People and Careers, People and Services Directorate, NSW Department of Education and Communities (Probity Unit). Applications not cleared are in turn directed to the delegate for an appropriate risk assessment. During this process the following parties are, or may be, involved depending on the outcome of the check: the applicant/new employee; an employee of the Probity Unit, the Line Manager; an employee of the Workforce Services Section of the HR Unit; HR Business Partner; Director Human Resources; Associate Institute Director and Institute Director.

10. SWSI holds two particular Employment Screening Unit Criminal Report Forms relevant to the matter of Mr Ronald Cordoba, which were issued by the Employment Screening Unit of DEC, now referred to as the Probity Unit. One form is dated 11th February 2005 and refers to the person named "David Cordoba", and there is a handwritten note on the bottom of the form stating "Ronald David Cordoba: DOB 6/11/71. Same person". The second form is dated 15 February 2005 and refers to "Ronald David Cordoba". These forms were kept on a Criminal Record Check file in the Human Resources Unit, and are not

Signature ██████████ Witness ██████████

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

NAME: James Martin BRASSIL

located in Ronald Cordoba's Personnel file. The second part of each of these one page forms is the destruction certificate, indicating that additional documents were destroyed as required. Ronald Cordoba's criminal record check status on both forms is now set as 'cleared'.

11. There is no information on forms referred to in the section above, or on TAFE NSW records, to indicate the nature of Ronald Cordoba's prior conviction. This is, as I understand it, a requirement that all reference to the nature of a conviction be destroyed.

12. There was an email located in the Criminal Record Check file, which indicated a meeting on the 23rd February 2005, which was sent to a previous Institute Director, a previous Human Resources Manager and a Faculty Director, Sylvia Arthur. I have spoken with Sylvia Arthur and the Institute Director from that time and neither can recall the nature of the matter, or the specifics of a meeting being held regarding the matter.

EXHIBIT A: I PRODUCE A COPY OF THE RELEVANT CRIMINAL RECORD CHECK FORMS – DATED (Date sent) 11 February 2005 and 15 February 2005.

Signature   Witness

STATEMENT IN THE MATTER OF: **Operation Sonet - File No. E14/1727**
NAME: **James Martin BRASSIL**
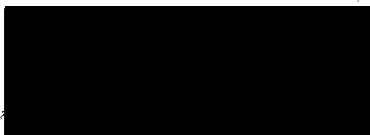
13. The Public Sector Suitability Assessment Process is used to assess Criminal History Information (CHI) that is provided by the Probity Unit, for review by the Employer.

14. This assessment is undertaken by the delegated officer. The initial step is to review the Criminal History Information that has been provided by the Probity Unit taking into account the following factors:

   - Nature of offences
   - Number of offences
   - Severity of punishments
   - Age at which offences are committed
   - Good behaviour bonds
   - Mitigating or extenuating circumstances that might be revealed in relation to the offence(s) committed.
   - General character since the offences

15. The overall review also considers the type of role which the applicant has applied for and the workplace environment. Any concerns arising from this review are in turn discussed with the applicant to ascertain the impact of the CHI on the application with regards to the factors outlined above. This also gives applicants an opportunity to provide additional information which they may consider to be

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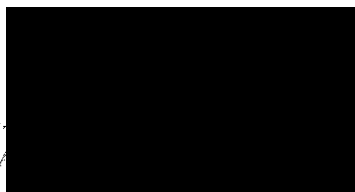
relevant to the overall assessment. Contact with the applicant would usually involve an initial telephone contact and may also include written correspondence where additional information is requested to inform the overall decision. At completion of the risk assessment, a recommendation is prepared by the Officer undertaking the risk assessment for consideration by the Delegate.

16. A final decision on employment is then made, taking into consideration the information that is gathered and submitted in the prepared Public Sector Suitability Assessment Memo.

17. The Human Resource Services Unit is responsible for the forwarding of "Letters of Offer" to potential new employees. Contained within this letter are links to the Department of Education and Communities relevant policies, including the Code of Conduct. The letter also sets out the expectation of the organisation of new employees that they will comply with a number of the policies and procedures.

18. Accompanying the "Letter of Offer" is a form to complete to accept the position. The individual is expected to respond to the organisation's offer of employment with a written response accepting or declining the offer. Staff within the Recruitment Section of the Human Resources Unit are responsible for sending out these letters to potential new employees. There is also a statement from the Fair

Signature ███████████████   Witness ████████████████

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

NAME: James Martin BRASSIL

Works Ombudsman which is sent to potential new employees, for their information.
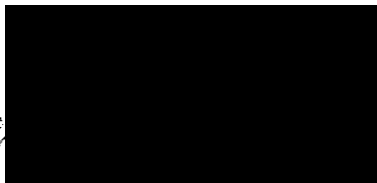
19. There are a range of other documents that are sent out to potential new employees relating to Work Health & Safety (WHS); salary/banking records, taxation information/records, etc.

20. All potential new employees of TAFE NSW are provided with a hyperlink connection to the policies and procedures within the "Letter of Offer". Potential new employees are not provided a hard copy of the relevant policies and procedures.

21. Upon acceptance and commencement of their employment with the organisation, all new employees are provided access to the intranet where all the organisation's policies and procedures are stored and are accessible.

22. The Institute has induction processes for both teaching and non-teaching staff. The Institute's Workforce Capability Unit oversees the majority of these activities. There are written checklists outlining the documentation provided to the new employee's line manager. The Line Manager has a range of responsibilities for the local induction of new employees.

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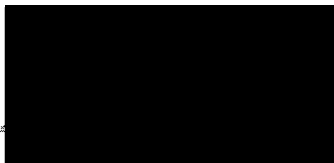
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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

NAME: James Martin BRASSIL

23. There are some central induction processes, where the new employee attends a series of seminars and sessions explaining a range of responsibilities; policies and procedures; aspects of work; environment and Work Health & Safety (WHS). The central induction processes differ in relation to the varied roles adopted by new employees.

Signature ████████████ Witness ████████████

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INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727

PLACE: BANKSTOWN

NAME: Peter John James BEACHAM

ADDRESS: Known to ICAC

OCCUPATION: Relieving Contracts Administration Officer

TELEPHONE NO: Known to ICAC

DATE: 20 May 2015

States: -

1. This statement, made by me, accurately sets out the evidence which I would be
    prepared, if necessary, to give in Court as a witness. The statement is true to the
    best of my knowledge and belief, and I make it knowing that, if it is tendered in
    evidence, I shall be liable to prosecution if I have wilfully stated in it anything which
    I know to be false or do not believe to be true.

2. I am ▇ years of age.

3. I am currently relieving in the position as Contracts Administration Officer with
    TAFE NSW – South Western Sydney Institute ("SWSI"). I have been relieving in
    this position since April 2009, when the Learning Management Business Reform
    ("LMBR") (including the SAP financial and human resource systems) was
    introduced. My substantive position is the Asset and Fleet Controller within the
    Institute's Finance Unit. Prior to commencing in the relieving role of Contracts

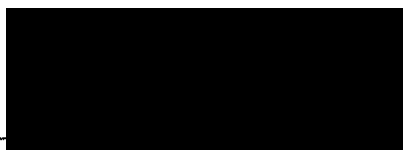Signature▇▇▇   Witnes▇

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STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Peter John James BEACHAM
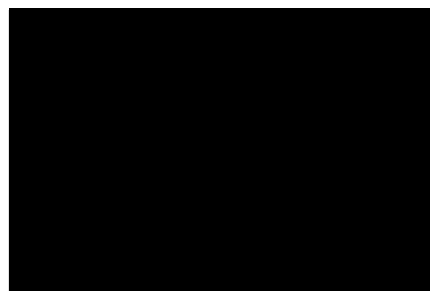
Administration Officer, I held my substantive role as the Asset and Fleet

Controller for approximately 3 to 4 years. I have been employed through the

Department of Education and Communities ("DEC"), formerly known as the

Department of Education and Training, for approximately 23 or 24 years and with

TAFE NSW since 1989.

Asset Management

4. Every staff member within the Facilities and ICT roles received asset management

    training as part of their SAP system training, which included work flow forms.

    There was additional training in relation to asset management at each of the

    campuses for the Facilities Coordinators, and the ICT Service Unit team attended.

5. Sharon Ambrose was responsible for completing the necessary forms for assets

    registration and sending them through the work flow. The workflow process is as

    follows: the employee completes an Asset and Equipment request form in SAP

    and submitted the request form to their Line Manager for approval, which once

    approved is then sent to Finance for approval and actioning. Once asset is created

    in SAP the SAP System automatically assigns a barcode to the Asset at which

    time Finance Unit prints that barcode from SAP and send this to the original

    requestor to be placed on the item.

6. The financial delegations, which are recorded in SAP, are not the same as the

    approval delegations required for the asset registration. It is not necessary to gain

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STATEMENT IN THE MATTER ᴏғ. ᴏᴘᴇʀᴀtion Sonet - File No. E14/1727
NAME: Peter John James BEACHAM

approval from line managers in order for an asset to be included in the asset

register for stocktake purpose, but SAP makes it convenient, to use the SAP

workflow, which requires the approval of line managers to have the item added.

7. If a request is raised for a Custodial item to be placed on the asset register, which

is under $10K, once the line manager approves the request in SAP it workflows to

the Finance Unit after finance approves the form the item is created in SAP

automatically form the information provided on the request form. If an item is

over $10K then once a line manager has approved the request, it workflows

through Finance where it gains approval from myself or one of my staff and then

to the Shared Service Centre who approves the request form for the system to

create the asset and equipment record simultaneously from the information

provided in the request form.

8. The supplier of SAP claimed it would be too complicated for equipment record to

create at time when goods had been receipted in SAP, for the purpose of including

them on the Asset Register, without the requirement of any additional workflow.

Instead of this function, we received an 'equipment account assignment category',

which is to be selected when purchasing equipment and it will prompt the user to

record an item on the asset register upon receipt. No one uses the 'equipment

account assignment category', and if used staff members would just click through

the pop up reminders anyway, if they do use it, a pop up message doesn't

guarantee the item actually gets created via the asset and equipment creation form.

Signature⎯   Witness

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STATEMENT IN THE MATTER ᴏꜰ. ᴏᴘᴇᴄᴀtion Sonet - File No. E14/1727
NAME: Peter John James BEACHAM

I can run reports on this function, but nothing appears in the reports, since staff members do not use this function anyway. The 'account assignment category' is a mandatory field, and a report can only be run on this function to identify items which are set to the status 'equipment' anything purchased against this status should be recorded in the Asset Register if people select 'Equipment' as an assignment category.

9. There is the ability to have a Finance check point for all orders processed by staff before submitting the order to the supplier, this could be implemented, but there is no ability to restrict it to certain purchases, it's an all or nothing workflow. Implementing this may have resourcing impact and at the time of system implementation the Institute decided not to implement it, but if we did or do now implement this would give us the ability to trap equipment items being purchased or at the least question items being purchased by the sections.

10. All equipment which should be included on the Asset Register should be registered upon receipt by any staff. If the equipment goes straight to storage, it should be recorded in SAP with its condition status set to STOR = Storage this records it on the Asset Register, along with the other required details for stocktake purpose.

11. The Department's threshold for asset registration is that any item valued under $3,000 was optional to register.

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STATEMENT IN THE MATTER ᴏ.. ᴏᴘᴇ.ᴀtion Sonet - File No. E14/1727
NAME: Peter John James BEACHAM

12. Between $3,000 to $10,000 is it mandatory to register as "Custodial" items. "Custodial" items need to be registered for stocktake purposes.

13. Over $10,000 it was mandatory to register as "Financial" items. The Department's rule is that any item over the value of $10,000 needs to be capitalised and depreciated.

14. Any items under the $3,000 threshold that were audio visual ("AV") , IT or "at risk items" all needed to be recorded on the asset register.

15. At SWSI, it is mandatory to record any item over $1,000 on the asset register. For items under $1,000, it is optional to record them on the asset register, except for AV, IT or "at risk" items.

16. It is the standard process for a portion of equipment purchases to cater for immediate use requirements, and a portion to be stored in anticipation of future use. For instance, a lot of equipment is purchased for immediate use for projects, while other equipment, such as printers, are stored just in case they are needed when a printer breaks. When I looked at the storage period of some of the items purchased from ITD Pty Ltd, I was concerned about the duration of time they had not been used for, while their warranties ran out.

17. The maintenance costs for assets can be recorded in SAP, but that module has not been activated due to the cost and configuration requirements have not been scoped out.
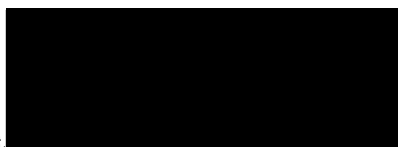
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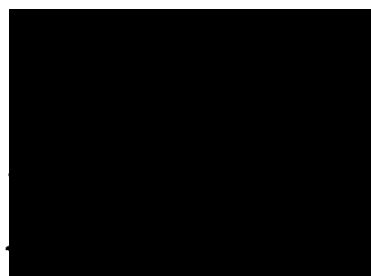
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STATEMENT IN THE MATTER ⌴⌿. ⌴μⅽⅰ⌴tion Sonet - File No. E14/1727
NAME: Peter John James BEACHAM

18. The stocktake of assets at SWSI is conducted on an annual basis. I am the overall person responsible for the stocktake of all SWSI assets. Previously the staff within the Institute's Finance Unit attended each of the college locations and undertook the stocktake but now we delegate and rely upon the Facilities Officers at each of the college locations to undertake the stocktake at their locations for us.

19. The stocktake process involves the Facilities Officers using scanners, which have the information from the Asset Register downloaded onto them, to scan the barcodes on equipment, prior to returning the scanners to me. The information from the scanners is then loaded into a third party application (Assettake) and then into SAP once complete.

20. The disposal of assets involves downloading a form from the Policies and Other Documents (POD) site, completing the form scanning it back to your system then attaching that scanned document to a SAP Asset and Equipment Request. Once submitted, the SAP Workflow forwards the request to the relevant line manager for approval. Once line manager approves the form, the form will then be sent via SAP workflow to me.

21. Within the SAP the workflow works upon financial delegation not the disposal delegation. For disposal a separate form needs to be completed and signed off then attached to the SAP Request. Only College Managers and the Institute Director

Signature. ██████████   Witness ██████████

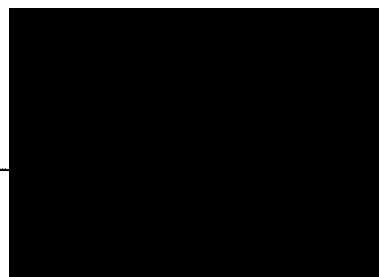Sensitive

STATEMENT IN THE MATTER OF: Operation Sonet - File No. E14/1727
NAME: Peter John James BEACHAM

are able to sign off on disposal of equipment at that time the delegation has since been changed.

22. The disposal workflow via SAP ensures that the forms reach me, but they have the wrong approvals, since SAP does not hold the disposal delegations. Once I receive the forms for a financial disposal, I acquire the correct disposal delegations via a submission to the Institute Director and attach the signed submission to the SAP workflow form prior to re-submitting the form via SAP, which then is forwarded to the Shared Service Centre to complete the disposal.
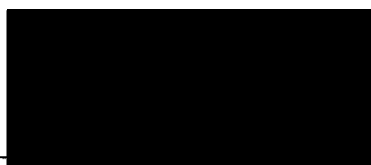
23. The Shared Service Centre only disposes of Financial Assets which are over $10K, for which they check for the appropriate disposal authority first. The Shared Service Centre disposes of items over $10K in order to fulfil their audit requirements.

24. The disposal of all write-offs or items to be disposed of valued over $10,000 can only be authorised and approved by the Institute Director.
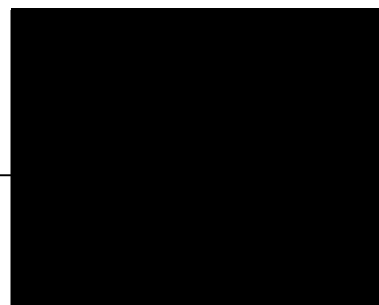
25. The disposal of assets valued under $10,000, the work flow would be the requesting officer, their Line Manager, and then to me as the Asset Controller or other staff in my team with the same Asset and Equipment Role.

Financial and Procurement

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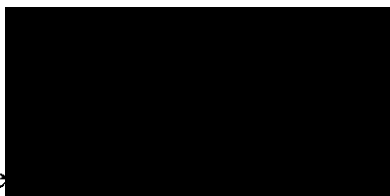
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STATEMENT IN THE MATTER ᴏ̶ᴦ. ᴏᴩᴇᴦᴀtion Sonet - File No. E14/1727
NAME: Peter John James BEACHAM

26. I had no involvement with creation of new vendors. The only time I would be involved with creation of new vendors was when my supervisor, Neil Stralow, was away on leave and I was acting in his role.

27. The financial system used throughout the Department of Education and Communities, including TAFE NSW, is the SAP system.

28. The work flow for all financial matters through the SAP system is that the requesting officer raises request and submits for approval from their Line Manager or Manager with the appropriate financial delegation levels. Upon approval of the request by the appropriate Line Manager, the request work flows through to the Department's Shared Services Centre at Parramatta, who manages the account payable process.

29. No paper requisition forms are used anymore within the Department or TAFE NSW. The electronic shopping cart within the SAP system replaces all paper requisitions.

30. A manager of a business unit or Faculty will want to purchase goods or services for their unit. A requesting officer will create a shopping cart to acquire the particular goods or services required. The requesting officer will select the goods or service required. Within the SAP system, it automatically selects the Line Manager with the appropriate financial delegation levels to approve the purchase.

Signature █████████████   Witness ███████

31. Purchases over the financial delegation level of an Institute Manager ($150,000) and that is required to be approved by the Institute Director could include a "Reviewing Officer" in the shopping cart. This will generally be the immediate Line Manager or Associate Institute Director who will review and comment upon the purchase before it is approved by the Institute Director. The Institute Director always looks for the "Reviewing Officer's" comments in the shopping cart, if no comment is added, he will not approve it unless a comment is added, if a reviewer is not added he usually rejects the shopping cart.

32. Upon the shopping cart being approved by the appropriate Line Manager, the order goes through the electronic gateway where a purchase order is created and sent to the particular supplier or vendor to acquire the actual goods or services.

33. There is a bit of a misconception in the Department that once a supplier is recorded within the SAP system that they are an actual "In Contract" supplier. This is not true. The only official "In Contract" suppliers are those which have been appointed through a formal tender process. We have local suppliers who have been selected through a tender process. Then there are Departmental and finally NSW Government suppliers.
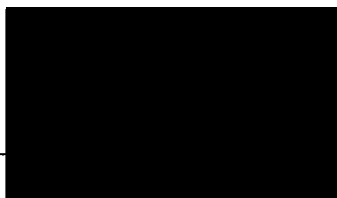
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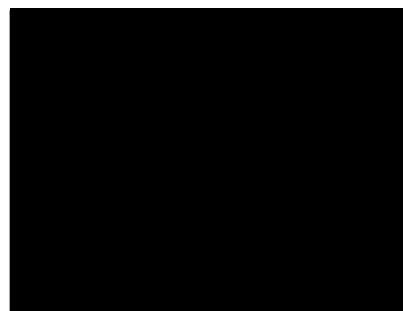
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STATEMENT IN THE MATTER ~~OF. Operation~~ Sonet - File No. E14/1727
NAME: Peter John James BEACHAM

34. If a supplier that the Institute wishes to purchase goods or services from is not in a local list of suppliers, the requesting officer should look for a supplier with the departmental suppliers, and then finally with NSW Government suppliers.

35. There is confusion amongst staff regarding which vendors are 'In Contract', and which are just established vendors in SAP, since they can appear to be the same at first glance. Staff members are required to take an additional step and follow a link provided by SAP at the purchase order request stage to view a list of appropriate 'In Contract' vendors.

36. The Institute Finance Unit continue to remind staff within SWSI that just because a supplier is recorded in the SAP system does not indicate that they are "In Contract" supplier unless they have been through a formal tender process, and approved by either SWSI, DEC or NSW Procurement.

37. The Department's procurement and purchasing policy states that for any purchases from an "Out of Contract" supplier:

- Under $30,000 only one written quotation is required

- Between $30,000 to $150,000 – three written quotations are required

- Over $150,000 – a formal tender process to be engaged.

38. The rules governing the number of quotations required during the procurement or purchasing process do not apply if the goods or services are being sourced through

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an "In Contract" or Government supplier, but one quote is required form that "In Contract" supplier.
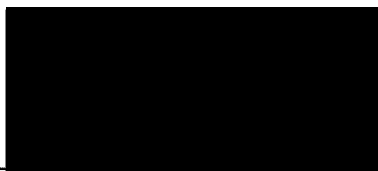
39. There is a Premier's Memorandum M2006-11 NSW Procurement Reform which stipulates effective immediately, all agencies, other than State Owned Corporations, must use State Contract Control Board whole-of-government contracts, where they are available, when procuring goods and services. The only circumstances in which this requirement can be circumvented is when an Alternate Supplier Request is used, which needs to be approved by DEC Procurement Directorate prior to the purchase being made.

40. It is the Line Manager's responsibility to ensure that their employees are purchasing from "In Contract" or Government suppliers, since they approve the shopping carts.
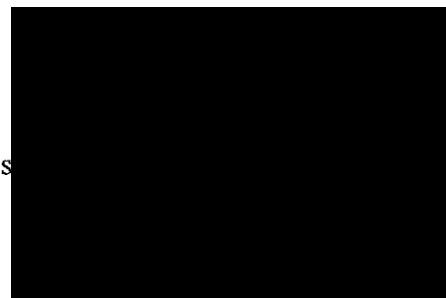
41. If an "Out of Contract" supplier is to be used, a notation can be placed in the "Notes and Attachment" section of the shopping cart for the reason why they need or want to use this particular supplier and also attach any relevant documentation.

42. Once the shopping cart process has been completed, it is submitted to the appropriate Line Manager for approval based upon the organisational structure. Upon approval, it work flows through the electronic gateway where a purchase order is generated and sent to the supplier electronically.

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43. Upon delivery of the goods or services, an employee would enter the purchase order number within the SAP system and receipt all items received against the purchase order.

44. The tax invoice from the supplier is either sent by the employee to the Shared Services Centre or the company itself would forward the tax invoice to the Shared Services Centre for payment.

45. The actual Accounts Payable Section is within the Shared Services Centre coordinate the final payments to the supplier using the 3 way match, purchase order, goods receipt and invoice.

46. Corporate credit cards are used within SWSI but only a few Institute Managers or Faculty Directors are issued with a corporate credit card. As far as I am aware monthly reconciliations are performed on Credit Card bank statements, by our Revenue Controller, which have to be signed off by appropriate line manager.

47. We do not use petty cash in SWSI. Since 2010, all "out-of-pocket" expenses are able to be claimed through the SAP system.

48. No goods or services should be obtained unless a purchase order has been previously raised and subsequently approved by the appropriate Line Manager. It does occur for some "emergency" purchases but should not occur for large purchases.
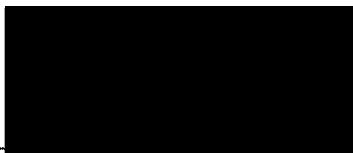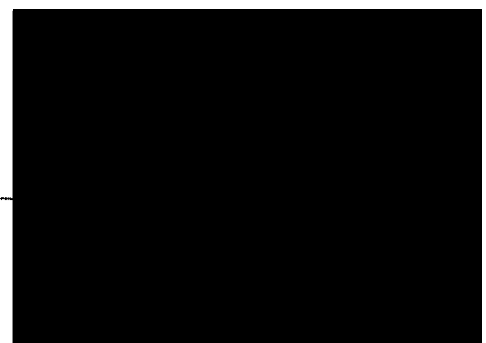
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49. For emergency purchases approval may be acquired from a delegated officer outside the SAP system and without the use of a purchase order request, and the invoice is to be processed following the receipt of the good or service. Emergency purchases do not normally occur, and are only acceptable in situations which are deemed a genuine emergency, such as when a water pipe bursts and a plumber is needed.

50. The financial delegation approval level is based upon the total costs of the goods and services being ordered and not per unit or base cost of each item being ordered.

51. I am aware of the practice known as invoice or order splitting. The practice of invoice or order splitting is not permitted within the Department, TAFE NSW or SWSI. Usually invoice or order splitting is used to circumvent the financial delegation process. There are no systems in place within SWSI to detect purchase order or invoice splitting.

52. The SAP system is capable of raising one purchase order of all goods or services required and then arranging for these items to be distributed amongst the various college locations. There is no need to raise separate purchase orders for identical items for each of the college locations. Invoice or purchase order splitting does not assist with the asset registration process.

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53. SAP has the capability for different items to be requested to be delivered to different locations on the one purchase order. If these items are received at the different locations at different times, they can be receipted in SAP and paid upon their arrival. There is no need to wait until all items listed on the purchase order have been received before part payments are processed.
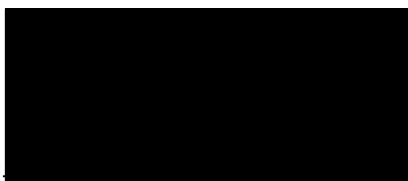
54. Invoice splitting actually complicates the asset registration process, since it makes it harder to determine when a single order is over $10,000. If you split an order you could end up missing related items that are a network asset, eg a computer server costing $1,000 by itself is not a financial acquisition but a room of 11 Servers costing $1,000 each is a financial purchase because the total cost is $11K. Another example is a lath, for which it may only cost us $8,000 to get the actual item, but transport, installation and commissioning could make the total purchase for that item over $10K threshold. This is a financial acquisition as per our departmental policy.

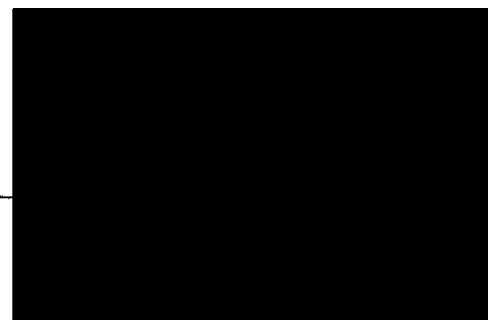**Disposal of End-of-Life or Decommissioned Equipment**

The Department has a policy that relates to the disposal of end-of-life; end-of-lease or decommissioned equipment. This policy is available via the intranet system.

55. The usual practice for the disposal of equipment is initially preferable to recycle where we can, instead of sending it to landfill.

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56. The next preferred option is to sell the equipment via a public auction. It is preferred to make some money from the disposal than nothing at all. SWSI has an auctioneer contractor for the disposal of our equipment. We collect all the items to be disposed of through an auction and arrange for the auctioneer to collect the items. Upon completion of the auction, SWSI receives the proceeds from the auction. The items are disposed of out of the SAP system with the relevant disposal value.

57. The NSW Government Procurement Guidelines May 2007 policy allows direct sale to staff as mentioned on page 8, but we do not permit this at SWSI. However, staff members are permitted to attend the public auction in their own time to purchase items. The disposal method are mentioned in our local SWSI Disposal Guidelines 2012 on the Policy and Other Documents (POD) site.

58. SWSI staff are not permitted to remove or use any end-of-life; end-of-lease or decommissioned equipment for their own personal use or benefits unless it has been disposed of in accordance with departmental policy or purchased through the public auction process.

59. I am aware of a computer retailer trading as J&W Computers Villawood but SWSI should not be purchasing computers through J&W Computers Villawood because it is not an in-contractor supplier for computers, even though J&W Computers are a supplier within the SAP system.
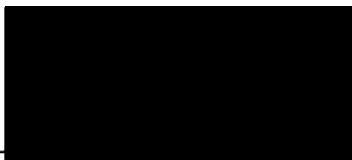
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60. I was not aware that any end-of-life; end-of-lease or decommissioned equipment belonging to TAFE NSW or SWSI was being disposed of through J&W Computers Villawood. All of our computers should be going to public auction and/or a recycler. It would have only been appropriate to dispose of items via J&W Computers Villawood if this was approved by an Associate Institute Director. There are no records of an Associate Institute Director approving the disposal of this equipment through J&W Computers Villawood.
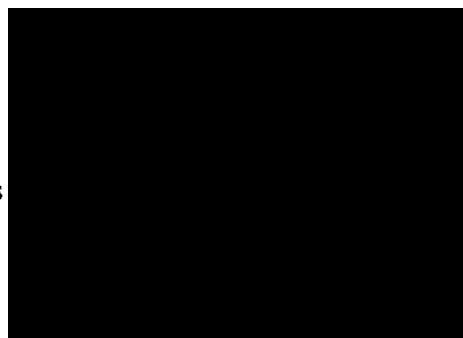
61. There are no 'In Contract' companies for disposal of equipment, apart from companies who can do eWaste. We can use various companies to dispose of equipment, but Public Auction is always our preferred method. There are no policies stipulating which companies equipment is to be disposed of with. The SWSI Disposal Guidelines 2012 provide a guide for staff in relation to the workflow required for the appropriate disposal of equipment.

62. I have not seen any paperwork relating to the disposal of end-of-life; end-of-lease or decommissioned computer equipment being disposed of through a computer recycler since Ronald Cordoba has been relieving as the Manager of ICT Services Unit.

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63. SWSI has only recently engaged Auctioneer Company from Government Contract, Pickles, to dispose of all of our computer equipment as they will do all the hard-drive wiping and will provide a certificate which complies with our disposal policy.

64. I have never seen any paperwork from Ronald Cordoba as the relieving Manager of the ICT Services Unit relating to the disposal of end-of-life; end-of-lease or decommissioned computer equipment through J&W Computers Villawood.

65. If I had this would have raise great concerns with me as it was against SWSI normal disposal practices.

66. I am not aware if the Department, TAFE NSW or SWSI ever received any money from J&W Computers Villawood for the collection and disposal of any end-of-life; end-of-lease or decommissioned computer equipment.

67. I am not aware if Ronald Cordoba or any other employee of SWSI has received any money from J&W Computers Villawood for the collection and disposal of any end-of-life; end-of-lease or decommissioned computer equipment.
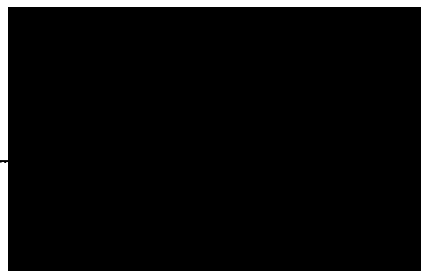
TAFE NSW Equipment alleged located at Ronald Cordoba's Home Address

68. I have been provided a list of ICT equipment which was allegedly surrendered to the Director of Human Resources, James Brassil, by Ronald Cordoba in August 2014. It is my understanding that Ronald Cordoba had this equipment at his home address.

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69. Neil Stralow requested that I undertake some enquiries in relation to these items within the SAP system to ensure that they had been formally registered as assets. Not all the items Ronald Cordoba took home were on the Asset Register, even though they were classified as 'assets'.

70. I was able to locate some of the equipment within the SAP system but I was unable to locate the two Apple MacPro CTO desktop computers. The worrying issue with the two MacPro CTO desktop computers was that they were valued over $10,000 each and they had not been capitalised within the SAP system.

71. The majority of the items contained on the list provided to me were under $1,000 threshold, thus they were not required to be formally registered as an asset within the SAP system.

72. We do not register computer monitors, keyboards or mouses as they are considered accessories to a desktop computer or notebook computer.

73. I am not aware of any person employed by the Department of Education and Communities; TAFE NSW or SWSI that may have been provided or offered any money or other financial benefit or reward by Ronald Cordoba to award or allocate work to his companies or businesses.

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